

TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR "COMPANY")

- (I) **PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 27,570,000 NEW ORDINARY SHARES OF RM1.00 EACH IN TWPH ("TWPH SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING TWPH SHARES HELD ("PROPOSED RIGHTS ISSUE");**
- (II) **PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM100,000,000 COMPRISING 100,000,000 TWPH SHARES TO RM200,000,000 COMPRISING 200,000,000 TWPH SHARES ("PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL");**
- (III) **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS"); AND**
- (IV) **PROPOSED PROVISION OF FINANCIAL ASSISTANCE TO MAX EASE INTERNATIONAL LIMITED ("MEIL"), A 51% OWNED SUBSIDIARY OF TWPH ("PROPOSED PROVISION OF FINANCIAL ASSISTANCE").**

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

1. INTRODUCTION

On behalf of the Board of Directors of TWPH ("**Board**"), AFFIN Investment Bank Berhad ("**AFFIN Investment**") wishes to announce that the Company proposes to undertake the following:

- (I) Proposed Rights Issue;
- (II) Proposed Increase in the Authorised Share Capital;
- (III) Proposed Amendments; and
- (IV) Proposed Provision of Financial Assistance.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Rights Issue

2.1.1 Particulars of the Proposed Rights Issue

The Proposed Rights Issue entails the issuance of up to 27,570,000 new TWPH Shares on the basis of two (2) Rights Shares for every five (5) existing TWPH Shares held on an entitlement date to be determined later.

The Rights Shares will be provisionally allotted to the shareholders of the Company whose names appear on the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later after obtaining all the relevant approvals for the Proposed Rights Issue (“**Entitlement Date**”).

In determining the shareholders’ entitlements under the Proposed Rights Issue, fractional entitlements will be disregarded and shall be dealt with in a fair and equitable manner that the Board, in its absolute discretion, deems fit and expedient to minimise the incidence of odd lots and is in the best interest of the Company.

The entitled shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. Any unsubscribed Rights Shares shall be offered to the other shareholders of TWPH under excess Rights Shares application.

2.1.2 Basis of determining the issue price of the Rights Shares

The issue price of the Rights Shares shall be determined by the Board at later date after all approvals for the Proposed Rights Issue have been obtained but prior to the Entitlement Date and will take into consideration, amongst others, the theoretical ex-rights price (“**TERP**”) of TWPH Shares based on the then prevailing market prices of TWPH Shares.

For illustrative purposes, the TERP as at the date of this announcement is RM1.78 calculated based on the five (5)-days volume weighted average market price up to 7 June 2010 (being the last market day prior to the date of this announcement) of RM2.05 and the enlarged issued and paid-up share capital of 96,495,000 TWPH Shares after the Proposed Rights Issue (assuming that the Proposed Rights Issue is fully subscribed). Based on the above, the indicative issue price of RM1.10 per Rights Share represents a discount of approximately RM0.68 or 38.20% over the TERP.

2.1.3 Ranking of Rights Shares pursuant to the Proposed Rights Issue

The Rights Shares shall, upon issuance and allotment, be of the same class and rank *pari passu* in all respects with the then existing TWPH Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid prior to the date of allotment and issuance of the Rights Shares.

2.1.4 Minimum subscription level and Undertaking by the substantial shareholders

The Proposed Rights Issue will be implemented on a minimum subscription level basis. In determining the minimum amount to be raised from the Proposed Rights Issue, the Board has taken into consideration factors which include, amongst others, the funding requirements of TWPH and its subsidiaries (“**TWPH Group**” or the “**Group**”) and the ability of the Group to raise financing. The Board intends to raise minimum gross proceeds of RM21.3 million (“**Minimum Subscription Level**”) from the Proposed Rights Issue to finance the Proposed Provision of Financial Assistance.

In the event that the Minimum Subscription Level is not achieved whereby the proceeds obtained from the Proposed Rights Issue falls below the minimum proceeds required, the Company will not continue with the implementation of the Proposed Rights Issue. As a result, all monies received will be returned immediately to the shareholders and/or renounees of TWPH who have put in their applications for the subscription of the Rights Shares.

To meet the Minimum Subscription Level, TWPH has procured irrevocable written undertakings from the following substantial shareholders of TWPH that they will not dispose any of their TWPH Shares following this announcement and that they will subscribe for their respective entitlements under the Proposed Rights Issue (“**Undertakings for Entitlement**”):

	Direct shareholdings as at the date of this announcement		Undertaking to subscribe for Rights Shares entitlement	
	No. of TWPH Shares	% of issued and paid-up share capital	No. of Rights Shares	% of total Rights Shares
Tien Wah Holdings (1990) Sdn Bhd (“ TWH ”)	16,537,500	23.99	6,615,000	34.09
Singapore Pacific Investments Pte Ltd (“ SPI ”)	20,601,900	29.89	8,240,760	42.47
	37,139,400	53.88	14,855,760	76.56
Lembaga Tabung Angkatan Tentera (“ LTAT ”)	11,372,800	16.50	4,549,120	23.44
Total	48,512,200	70.38	19,404,880	100.00

New Toyo International Holdings Ltd (“**NTIH**”), being the ultimate holding company of SPI and TWH, have irrevocably and unconditionally undertaken to the Company to instruct SPI and TWH to fully subscribe for their respective entitlements under the Proposed Rights Issue.

In this regard, NTIH proposes to undertake its own rights issue exercise (“**Proposed NTIH Rights Issue**”) whereby part of the proceeds shall be utilised for SPI and TWH to subscribe for their respective entitlements of the Rights Shares pursuant to the Proposed Rights Issue.

The Board reserves the right to allot any excess Rights Shares applied for in a fair and equitable manner, as it deems fit and expedient in the best interest of the Company. As such, it is the intention of the Board to allot the excess Rights Shares in the following priority:

- (i) to minimise the incidence of odd lots; and

- (ii) for allocation to applicants who have applied for excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the entitlement date.

In view of the Minimum Subscription Level and the Undertakings for Entitlement, the Proposed Rights Issue will not be underwritten.

2.1.5 Public spread

After taking into consideration the above undertakings by the respective substantial shareholders, TWH, SPI and LTAT may collectively hold up to 76.89% of the issued and paid-up share capital of TWPH upon completion of the Proposed Rights Issue and assuming there are no other subscribers for the Proposed Rights Issue. Pursuant to Paragraph 8.02(1) of the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**"), TWPH is required to ensure that at least 25% of its total listed shares must be in the hands of public shareholders ("**Public Spread Requirement**"). In this respect, the Company shall endeavour to explore various options to address the shortfall and to comply with the Public Spread Requirement, which may include, amongst others, any or all of the following:

- (i) to step up efforts to increase the Company's publicity and awareness amongst the media, investors and the general public via dissemination of press releases, investors' briefings and press interviews;
- (ii) to discuss with any of the major shareholders of TWPH to dispose of part of their existing TWPH Shares in the open market; or
- (iii) to issue new shares in TWPH to persons which meet the definition of a public shareholder pursuant to paragraph 1.01 of Bursa Securities' Main Market Listing Requirements to meet the Public Spread Requirement.

2.1.6 Utilisation of proceeds from the Proposed Rights Issue

Assuming an indicative issue price of RM1.10 per Rights Share and that TWH, SPI and LTAT subscribe to a total of 19,404,880 Rights Shares to achieve the Minimum Subscription Level, the Proposed Rights Issue will raise gross proceeds of up to approximately RM21.345 million ("**Minimum Scenario**").

Assuming an indicative issue price of RM1.10 per Rights Share and that 27,570,000 Rights Shares have been subscribed for by the entitled shareholders of TWPH pursuant to their respective entitlements and/or any such Rights Shares not taken up by other entitled shareholders will be subscribed via the excess application, the Proposed Rights Issue will raise gross proceeds of up to approximately RM30.327 million ("**Maximum Scenario**").

TWPH proposes to utilise the entire proceeds from the Proposed Rights Issue as follows:

	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Shareholders' advance to MEIL pursuant to the Proposed Provision of Financial Assistance	20,945	29,390
Working capital	-	537
Defraying estimated expenses [^]	400	400
Total	21,345	30,327

Note:

[^] *The expenses relating to the Proposals comprise, amongst others, the professional fees and fees payable to the relevant authorities. The aforesaid expenses are subject to change, depending upon and after setting off the amount to be charged by the relevant parties. Any surplus or shortfall of funds for the payment of expenses for the Proposals will be utilised for the shareholders' advance or be made good from the shareholders' advance respectively*

Any differences to the actual shareholders' advance due to foreign exchange translation, lower outstanding amount of MEIL Loans to be repaid or proportionate shareholders' loan to be extended by TWPH and NTIH (as set out and defined in Section 2.4 below) will be allocated to working capital requirements of the Group or be made good from internally generated funds of MEIL and its subsidiary company.

2.1.7 Listing of the Rights Shares

An application will be made for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

2.2 Proposed Increase in the Authorised Share Capital

The present authorised share capital of TWPH is RM100,000,000 divided into 100,000,000 TWPH Shares of which RM68,925,000 comprising 68,925,000 TWPH Shares have been issued and fully paid-up.

In order to accommodate the issue of the Rights Shares, TWPH proposes to increase its authorised share capital to RM200,000,000 comprising 200,000,000 TWPH Shares by the creation of an additional 100,000,000 new TWPH shares.

2.3 Proposed Amendments

To facilitate the Proposed Increase in the Authorised Share Capital, TWPH also proposes to amend its Memorandum and Articles of Association.

2.4 Proposed Provision of Financial Assistance

As announced on 8 September 2008 and approved by the shareholders of the Company in an extraordinary general meeting (“**EGM**”) on 29 October 2008, TWPH and NTIH acquired the entire equity interest in Anzpac Services (Australia) Pty Limited (“**Anzpac**”) via MEIL, a joint venture company between TWPH and NTIH with shareholdings of 51% and 49% respectively (“**Anzpac Acquisition**”). To fund the Anzpac Acquisition, MEIL had undertaken amongst others, a USD20.4 million loan and AUD20.0 million loan (collectively referred to as “**MEIL Loans**”). As at 30 April 2010, being the latest practicable date prior to this announcement (“**LPD**”), the amount outstanding for the respective loans are approximately USD17,538,670 (“**Outstanding USD Loan**”) and AUD20,000,000 (“**Outstanding AUD Loan**”) respectively, which bears a current effective interest rate of 2.85% and 6.90% per annum respectively. The Outstanding USD Loan and Outstanding AUD Loan are currently to be fully settled by 31 October 2015 and 31 October 2011 respectively.

MEIL has informed TWPH that it intends to pare down the Outstanding USD Loan and/or Outstanding AUD Loan from the proposed proportionate shareholders’ loan from TWPH and NTIH. The proposed proportionate shareholders’ loan shall be on terms that are on an arm’s length basis and mutually agreed between TWPH, NTIH and MEIL.

Pursuant to the loan agreement dated 8 June 2010 entered into between TWPH, NTIH and MEIL, TWPH and NTIH shall advance up to USD17.5 million on a proportionate basis to MEIL for the partial repayment of the MEIL Loans. TWPH will extend the proceeds arising from the Proposed Rights Issue to MEIL as a shareholders’ advance on a basis proportionate to the respective shareholdings of TWPH and NTIH in MEIL.

TWPH understands that NTIH will simultaneously extend part of the proceeds arising from the Proposed NTIH Rights Issue to MEIL as a shareholders’ advance on a basis proportionate to the respective shareholdings of TWPH and NTIH in MEIL.

Based on TWPH’s 51% shareholding in MEIL, TWPH shall advance up to USD8.925 million or equivalently RM29.390 million (based on the exchange rate of USD1.00 : RM3.2930 as at 7 June 2010, being the last market day prior to the date of this announcement) as part of the USD17.5 million shareholders’ loan to MEIL solely from the proceeds arising from the Proposed Rights Issue (under the Maximum Scenario). Conversely, NTIH shall advance up to USD8.575 million from the proceeds arising from the Proposed NTIH Rights Issue. The proportionate shareholders’ loan to be extended by TWPH to MEIL will reduce accordingly depending on the proceeds to be raised by TWPH pursuant to the Proposed Rights Issue and the amount to be advanced by NTIH to MEIL on a proportionate basis.

The salient terms of the loan agreement, amongst others, are as follows:

- the shareholders’ loan of up to USD17.5 million by TWPH and NTIH to MEIL shall be for a period of up to six and a half (6.5) years commencing from the date of disbursement and shall be repaid by MEIL in full in any event by 31 December 2016;
- interest rate of Singapore Interbank Offered Rate (SIBOR) plus 0.5% per annum calculated on a monthly rest basis will be levied on the loan sum on a half yearly basis and payable within fourteen (14) days from the end of each respective half year ending 30 June and 31 December;
- without prejudice to the TWPH and NTIH’s right to demand repayment of the loan sum at any time, the loan sum shall be repayable on the following basis:

No. of Payments : 8 equal instalments

Half yearly commencing : 30 June 2013

- if default is made in the repayment of any instalment of the loan sum upon the due date for such repayment, whether in respect of principal or interest, TWPH and NTIH shall be entitled to charge MEIL late payment interest on such unpaid sum calculated at the rate of one per centum (1%) per annum on a daily rest basis from the date of such default in repayment until such time that repayment is made. Any late payment interest so charged shall not be considered for the purposes of the loan agreement as part of the "normal" interest rate of SIBOR plus 0.5% per annum;
- the loan sum shall be unsecured; and
- the construction, validity and performance of the loan agreement shall be governed by the Laws of Hong Kong. The parties to the loan agreement shall submit to the exclusive jurisdiction of the Singapore courts for the settlement of any dispute arising in connection with the loan agreement and hereby waive any objection to proceedings being commenced thereat on the grounds of *forum non conveniens*.

3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSALS

3.1 Proposed Rights Issue and Proposed Provision of Financial Assistance

The Proposed Rights Issue and Proposed Provision of Financial Assistance are for the following reasons:

- The primary purpose of the Proposed Rights Issue is to raise funds for the partial repayment of the MEIL Loans which were taken by MEIL to part finance the Anzpac Acquisition. The Anzpac Acquisition was completed on 31 October 2008.
- The potential interest savings from the repayment of the MEIL Loans is dependent on the repayment arrangements by MEIL between the Outstanding USD Loan and Outstanding AUD Loan as these loans bear different effective interest rates.

Assuming the entire shareholders' loan of USD17.5 million is used to settle the Outstanding USD Loan, the potential interest savings is approximately USD402,954 per annum (or equivalently RM1.33 million per annum based on the current prevailing interest rate on the Outstanding USD Loan and an exchange rate of USD1.00 : RM3.2930 as at 7 June 2010, being the last market day prior to the date of this announcement).

Alternatively, assuming the entire shareholders' loan of USD17.5 million is used to settle the Outstanding AUD Loan, the potential interest savings is approximately AUD1.26 million per annum (or equivalently RM3.35 million per annum based on the current prevailing interest rate on the Outstanding AUD Loan and an exchange rate of AUD1.00 : RM2.6580 as at 7 June 2010, being the last market day prior to the date of this announcement).

- The repayment of the MEIL Loans may improve the cashflow position of MEIL as it will no longer need to service the interest payments in respect of the MEIL Loans. The cash conserved could then be deployed for working capital requirements.
- Furthermore, in the event, MEIL is able to fully settle either one of the Outstanding USD Loan or Outstanding AUD Loan with the proceeds from the shareholders' loan, TWPH may no longer be subjected to the restrictive covenants under the respective facility agreement. Hence, TWPH would have the flexibility to undertake future fund raising exercises, expansion plans and/or acquisition of companies or businesses.

The Proposed Rights Issue will also increase the capital base of the Group and reduce its gearing position. With an improved gearing ratio, the Group would have the flexibility to further expand its operations by raising financing, and/or acquisition of companies or businesses as and when attractive opportunities arise.

After due consideration of various methods of fund raising, the Board is of the opinion that raising funds by way of the Proposed Rights Issue is most suitable as it provides the shareholders of the Company with an opportunity to increase their equity participation in the Company in terms of an increase in the number of TWPH Shares, at an attractive discount to the market price.

3.2 Proposed Increase in the Authorised Share Capital

The Proposed Increase in the Authorised Share Capital is undertaken to accommodate the issuance of the Rights Shares.

3.3 Proposed Amendments

The Proposed Amendments are undertaken to facilitate the Proposed Increase in the Authorised Share Capital.

4. EFFECTS OF THE PROPOSALS

The Proposed Increase in the Authorised Share Capital and Proposed Amendments will not have any effect on the share capital, net assets ("**NA**"), gearing, earnings and substantial shareholders' shareholding of TWPH.

The effects of the Proposed Rights Issue and Proposed Provision of Financial Assistance are as follows:

4.1 Share capital

The proforma effects of the Proposed Rights Issue on the existing issued and paid-up share capital of the Company are as follows:

Minimum Scenario - Assuming TWH, SPI and LTAT subscribe to a total of 19,404,880 Rights Shares to achieve the Minimum Subscription Level

	No. of Shares	RM
Issued and paid-up share capital as at the LPD	68,925,000	68,925,000
To be issued pursuant to the Proposed Rights Issue	19,404,880	19,404,880
Enlarged after the Proposed Rights Issue	88,329,880	88,329,880

Maximum Scenario - Assuming all 27,570,000 Rights Shares have been subscribed for by the entitled shareholders of TWPH pursuant to their respective entitlements and/or any such Rights Shares not taken up by other entitled shareholders will be subscribed via the excess application

	No. of Shares	RM
Issued and paid-up share capital as at the LPD	68,925,000	68,925,000
To be issued pursuant to the Proposed Rights Issue	27,570,000	27,570,000
Enlarged after the Proposed Rights Issue	96,495,000	96,495,000

The Proposed Provision of Financial Assistance will not have any effect on the share capital of TWPH.

4.2 NA, NA per share and gearing

The proforma effects of the Proposed Rights Issue and Proposed Provision of Financial Assistance on the consolidated NA, NA per share and gearing of TWPH based on the latest audited consolidated financial statements of TWPH for the financial year ended 31 December 2009 are as follows:

Minimum Scenario - Assuming TWH, SPI and LTAT subscribe to a total of 19,404,880 Rights Shares to achieve the Minimum Subscription Level

	(I) Audited consolidated as at 31 December 2009 RM'000	(II) After (I) and Proposed Rights Issue ¹ RM'000	After (II) and Proposed Provision of Financial Assistance ² RM'000
Share capital	68,925	88,330	88,330
Share premium	8,868	10,409	10,409
Revaluation reserve	4,878	4,878	4,878
Translation reserve	12,318	12,318	12,318
Retained earnings	60,964	60,964	60,964
Shareholders' funds / NA	155,953	176,899	176,899
NA per share (RM)	2.26	2.00	2.00
Total borrowings ³ (RM'000)	175,745	175,745	134,676
Gearing ⁴ (times)	1.13	0.99	0.76

Notes:

1. *Assuming the Rights Shares are issued at RM1.10 per Rights Share and after deducting estimated expenses of RM400,000 in respect of the Proposed Rights Issue from the share premium account.*
2. *Assuming the total repayment of RM41.069 million from the proportionate shareholders' loan to MEIL by TWPH and NTIH.*
3. *Consists of loans and borrowings due to financial institutions.*
4. *Being total borrowings over shareholders' funds.*

Maximum Scenario - Assuming all 27,570,000 Rights Shares have been subscribed for by the entitled shareholders of TWPH pursuant to their respective entitlements and/or any such Rights Shares not taken up by other entitled shareholders will be subscribed via the excess application

	(I) Audited consolidated as at 31 December 2009 RM'000	(II) After (I) and Proposed Rights Issue ¹ RM'000	After (II) and Proposed Provision of Financial Assistance ² RM'000
Share capital	68,925	96,495	96,495
Share premium	8,868	11,225	11,225
Revaluation reserve	4,878	4,878	4,878
Translation reserve	12,318	12,318	12,318
Retained earnings	60,964	60,964	60,964
Shareholders' funds / NA	155,953	185,880	185,880
NA per share (RM)	2.26	1.92	1.92
Total borrowings ³ (RM'000)	175,745	175,745	118,118
Gearing ⁴ (times)	1.13	0.95	0.64

Notes:

1. *Assuming the Rights Shares are issued at RM1.10 per Rights Share and after deducting estimated expenses of RM400,000 in respect of the Proposed Rights Issue from the share premium account.*
2. *Assuming the total repayment of RM57.627 million from the proportionate shareholders' loan to MEIL by TWPH and NTIH*
3. *Consists of loans and borrowings due to financial institutions.*
4. *Being total borrowings over shareholders' funds.*

4.3 Earnings and earnings per share ("EPS")

The Proposed Rights Issue and Proposed Provision of Financial Assistance are not expected to have any material effect on the consolidated earnings and EPS of TWPH for the financial year ending 31 December 2010 save for the proportionate reduction in the EPS as a result of the enlarged issued and paid-up share capital of the Company upon completion of the Proposed Rights Issue and the net interest savings as a result of the repayment of MEIL's borrowings pursuant to the Proposed Provision of Financial Assistance. Details of the interest savings are as follows:

Minimum Scenario - Assuming TWH, SPI and LTAT subscribe to a total of 19,404,880 Rights Shares to achieve the Minimum Subscription Level

	USD loan (USD)	AUD loan (AUD)
Interest savings as a result of the repayment of: - MEIL's USD loan - MEIL's AUD loan	355,444 ¹ -	- 1,066,134 ²
Less: Interest payable to NTIH of 1.13% per annum (being SIBOR + 0.5%) pursuant to the loan agreement as detailed in Section 2.4 above	(69,056)	(85,553)
Net interest savings per annum	286,388 (RM943,076)³	980,581 (RM2,606,384)⁴

Notes:

1. Calculated based on the effective interest rate of 2.85% per annum currently paid by MEIL on its USD loan
2. Calculated based on the effective interest rate of 6.90% per annum currently paid by MEIL on its AUD loan
3. Calculated based on the exchange rate of USD1.00 : RM3.2930 as at 7 June 2010, being the last market day prior to the date of this announcement
4. Calculated based on the exchange rate of AUD1.00 : RM2.6580 as at 7 June 2010, being the last market day prior to the date of this announcement

Maximum Scenario - Assuming all 27,570,000 Rights Shares have been subscribed for by the entitled shareholders of TWPH pursuant to their respective entitlements and/or any such Rights Shares not taken up by other entitled shareholders will be subscribed via the excess application

	USD loan (USD)	AUD loan (AUD)
Interest savings as a result of the repayment of: - MEIL's USD loan - MEIL's AUD loan	499,852 ¹ -	- 1,380,000 ²
Less: Interest payable to NTIH of 1.13% per annum (being SIBOR + 0.5%) pursuant to the loan agreement as detailed in Section 2.4 above	(96,898)	(120,046)
Net interest savings per annum	402,954 (RM1,326,928)³	1,259,954 (RM3,348,958)⁴

Notes:

1. Calculated based on the effective interest rate of 2.85% per annum currently paid by MEIL on its USD loan
2. Calculated based on the effective interest rate of 6.90% per annum currently paid by MEIL on its AUD loan
3. Calculated based on the exchange rate of USD1.00 : RM3.2930 as at 7 June 2010, being the last market day prior to the date of this announcement
4. Calculated based on the exchange rate of AUD1.00 : RM2.6580 as at 7 June 2010, being the last market day prior to the date of this announcement

4.4 Substantial shareholder's shareholding

The proforma effects of the Proposed Rights Issue on the substantial shareholders' shareholdings of the Company are as follows:

Minimum Scenario - Assuming TWH, SPI and LTAT subscribe to a total of 19,404,880 Rights Shares to achieve the Minimum Subscription Level

	As at 30 April 2010				After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
NTIH	-	-	37,139,400 ^(a)	53.88	-	-	51,995,160 ^(a)	58.86
TWH	16,537,500	23.99	-	-	23,152,500	26.21	-	-
SPI	20,601,900	29.89	-	-	28,842,660	32.65	-	-
LTAT	11,372,800	16.50	-	-	15,921,920	18.03	-	-
Yen Wen Hwa @ Ngan Tzee Manh ("Yen Wen Hwa")	-	-	37,139,400 ^(b)	53.88	-	-	51,995,160 ^(b)	58.86
Lu Le Nhi	-	-	37,139,400 ^(c)	53.88	-	-	51,995,160 ^(c)	58.86
Yen & Son Holdings Pte Ltd ("YSH")	-	-	37,139,400 ^(d)	53.88	-	-	51,995,160 ^(d)	58.86
New Toyo Lamination (M) Pte Ltd ("NTLM")	-	-	16,537,500 ^(e)	23.99	-	-	23,152,500 ^(e)	26.21

Notes:

- (a) Deemed interested by virtue of its shareholdings in SPI and TWH via its wholly-owned subsidiary, NTLM pursuant to Section 6A of the Companies Act, 1965 ("Act").
- (b) Deemed interested by virtue of his shareholdings in YSH and NTIH pursuant to Section 6A of the Act.
- (c) Deemed interested through shares held by her spouse, Yen Wen Hwa and her shareholdings in YSH and NTIH pursuant to Section 6A of the Act.
- (d) Deemed interested by virtue of its shareholding in NTIH.
- (e) Deemed interested by virtue of its shareholding in TWH pursuant to Section 6A of the Act.

Maximum Scenario

- Assuming all 27,570,000 Rights Shares have been issued and all the entitled shareholders of TWPH subscribe to their full entitlements of the Rights Shares

	As at 30 April 2010				After the Proposed Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
NTIH	-	-	37,139,400 ^(a)	53.88	-	-	51,995,160 ^(a)	53.88
TWH	16,537,500	23.99	-	-	23,152,500	23.99	-	-
SPI	20,601,900	29.89	-	-	28,842,660	29.89	-	-
LTAT	11,372,800	16.50	-	-	15,921,920	16.50	-	-
Yen Wen Hwa	-	-	37,139,400 ^(b)	53.88	-	-	51,995,160 ^(b)	53.88
Lu Le Nhi	-	-	37,139,400 ^(c)	53.88	-	-	51,995,160 ^(c)	53.88
YSH	-	-	37,139,400 ^(d)	53.88	-	-	51,995,160 ^(d)	53.88
NTLM	-	-	16,537,500 ^(e)	23.99	-	-	23,152,500 ^(e)	23.99

Notes:

- (a) Deemed interested by virtue of its shareholdings in SPI and TWH via its wholly-owned subsidiary, NTLM pursuant to Section 6A of the Act.
- (b) Deemed interested by virtue of his shareholdings in YSH and NTIH pursuant to Section 6A of the Act.
- (c) Deemed interested through shares held by her spouse, Yen Wen Hwa and her shareholdings in YSH and NTIH pursuant to Section 6A of the Act.
- (d) Deemed interested by virtue of its shareholding in NTIH.
- (e) Deemed interested by virtue of its shareholding in TWH pursuant to Section 6A of the Act.

The Proposed Provision of Financial Assistance will not have any effect on the substantial shareholders' shareholdings of TWPH.

4.5 Convertible securities

As at the date of this announcement, the Company does not have any existing convertible securities.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue;
- (ii) the shareholders of the Company at an EGM to be convened for the Proposals; and
- (iii) any other relevant authorities, if required.

The Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance are inter-conditional with each other.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Tengku Tan Sri Dr Mahaleel bin Tengku Ariff ("**Tengku Mahaleel**") and Gary Yen are Directors of TWPH, NTIH and TWH. Gary Yen is also a Director of NTLM and SPI. Furthermore, Stanley Mark Mitchell ("**Mark Mitchell**") is an appointed director of TWPH nominated by NTIH and a Director of MEIL. Therefore, Tengku Mahaleel, Gary Yen and Mark Mitchell (collectively the "**Interested Directors**") are deemed interested in the Proposed Provision of Financial Assistance.

However, given that the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance are inter-conditional with each other, the Directors who are deemed interested in the Proposed Provision of Financial Assistance shall also be deemed interested in respect of the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital and Proposed Amendments.

Accordingly, the Interested Directors have abstained and will continue to abstain from deliberation and voting of the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance at the relevant Board meetings of TWPH.

NTIH, Yen Wen Hwa, YSH and NTLM are deemed substantial shareholders of TWPH through TWH and SPI. The shareholdings of NTIH, Yen Wen Hwa, YSH, NTLM, TWH and SPI in TWPH as at 30 April 2010 are set out in Section 4.4 above. NTIH also holds 49% direct equity interest in MEIL. As such, NTIH, Yen Wen Hwa, YSH, NTLM, TWH and SPI are deemed interested in the Proposed Provision of Financial Assistance ("**Interested Major Shareholders**").

The Interested Directors and Interested Major Shareholders will abstain from voting on the resolutions pertaining to the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance in respect of their direct and/or indirect shareholdings at the EGM to be convened. They have also undertaken to ensure that persons connected to them will abstain from voting on the resolutions pertaining to the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance in respect of their direct and/or indirect shareholdings in TWPH at the EGM to be convened.

Save for the above, none of the other major shareholders and/or Directors of TWPH or any person connected to them has any interest, direct or indirect, in the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance, save for their respective entitlements as shareholders and their rights to apply for any excess Rights Shares under the Proposed Rights Issue, which are also available to all other shareholders of TWPH.

7. TOTAL AMOUNT TRANSACTED WITH SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

The Interested Directors and/or Interested Major Shareholders have not entered into any transaction with TWPH for the preceding 12 months up to the LPD.

8. DIRECTORS' RECOMMENDATION

The Board (save for Tengku Mahaleel, Gary Yen and Mark Mitchell, being the Interested Directors in respect of the Proposed Provision of Financial Assistance), having considered all aspects of the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance, is of the opinion that the Proposed Rights Issue, Proposed Increase in the Authorised Share Capital, Proposed Amendments and Proposed Provision of Financial Assistance are in the best interest of the Company and are fair and reasonable to the Company and are not detrimental to the Company and its shareholders.

9. STATEMENT BY THE AUDIT COMMITTEE

The Audit Committee of TWPH, after having considered all aspects of the Proposed Provision of Financial Assistance (including but not limited to the rationale and financial effects) and the evaluation by the Independent Adviser (whose Independent Advice Letter is to be issued later on), is of the opinion that the terms of the Proposed Provision of Financial Assistance are fair, reasonable and on normal commercial terms and are not detrimental to the interest of the minority shareholders and are in the best interest of the Company on the basis that it is the TWPH Group's normal practice to support its subsidiaries with financial and other assistance as and when required. The commercial terms for the Proposed Financial Assistance were determined after taking into consideration various factors including our shareholding and control in MEIL.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals are expected to be completed within the fourth quarter of 2010.

11. ADVISERS

AFFIN Investment has been appointed as the Adviser to the Company for the Proposed Rights Issue and Manager to the Company for the Proposed Provision of Financial Assistance.

In view of the interests of the Interested Directors and Interested Major Shareholders as mentioned in Section 6 of this announcement and in compliance with Chapter 10 of the Main Market Listing Requirements issued by Bursa Securities, TA Securities Holdings Berhad has been appointed to act as the Independent Adviser to the non-interested Directors and non-interested shareholders of TWPH in respect of the Proposed Provision of Financial Assistance. The Independent Adviser is to comment in an Independent Advice Letter to be issued later on, whether the Proposed Provision of Financial Assistance is fair and reasonable and whether it is detrimental to the non-interested shareholders of TWPH and to advise on the voting action in respect of the resolution pertaining to the Proposed Provision of Financial Assistance at the EGM to be convened.

12. TIMING OF SUBMISSION TO THE AUTHORITIES

The applications to the relevant authorities are expected to be made within two (2) months from the date of this announcement.

This announcement is dated 8 June 2010.