

MULTIPLE PROPOSALS TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR THE "COMPANY") (I) PROPOSED PROVISION OF FINANCIAL ASSISTANCE; (II) PROPOSED SUBSCRIPTION; AND (III) PROPOSED DIVERSIFICATION (COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

TIEN WAH PRESS HOLDINGS BERHAD

Type	Announcement
Subject	MULTIPLE PROPOSALS
Description	<p>TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR THE "COMPANY")</p> <p>(I) PROPOSED PROVISION OF FINANCIAL ASSISTANCE;</p> <p>(II) PROPOSED SUBSCRIPTION; AND</p> <p>(III) PROPOSED DIVERSIFICATION</p> <p>(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")</p>

On 24 August 2015, the Company announced that a Memorandum of Understanding ("**MOU**") was entered into between TWPH and Lum Chang Holdings Limited ("**LCH**") 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 the title number 3674 and 3967, Lot 30 & 4, Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan, on land measuring approximately 13,040 square metres, on a 99-year lease from the State Government of Selangor, Malaysia ("**Land**") with a residue of approximately forty-seven (47) years as at 20 March 2018 ("**Proposed Development**").

On 16 May 2016, the Company announced that it had entered into the following agreements:

(a) a shareholder's agreement between Tien Wah Properties Sdn Bhd ("**TWPSB**"), a wholly owned subsidiary of TWPH and Kemensah Holdings Pte Ltd ("**KHPL**"), a wholly owned subsidiary of LCH, to form and operate a joint venture company known as Lum Chang Tien Wah Property Sdn Bhd (formerly known as Sterling Model Sdn Bhd) ("**LCTWP**") for the Proposed Development ("**JVSA**"); and

(b) a sale and purchase agreement between TWPSB and LCTWP ("**Land SPA Parties**") in respect of the sale of the Land ("**SPA**").

Collectively, KHPL and TWPSB shall be referred to as the "**Joint Venture Parties**".

On 30 March 2018, the Company announced that the Land SPA Parties agreed to sign a supplemental letter for purpose to extend the timeline for the delivery of vacant possession of the Land until 30 September 2018 due to the unforeseen increased in demand on production which resulted in a delay in the anticipated closure of the factory operations by a subsidiary of TWPH on the Land. The Land SPA Parties had also agreed to extend the long stop completion period from 31 March 2018 to 30 September 2018, or such longer period as the Land SPA Parties may mutually agree in writing ("**Extended Long Stop Completion Date**"). In this respect, TWPSB agreed and acknowledged that the obligation of LCTWP to pay the balance sum shall as a consequence, be extended to the Extended Long Stop Completion Date. All other terms and conditions as stated in the SPA shall remained unchanged and in full force and effect.

On behalf of the Board of Directors of TWPH ("**Board**"), Inter-Pacific Securities Sdn Bhd ("**IPS**") is pleased to announce that TWPH wishes to seek the approvals from the shareholders of TWPH for the following:

(a) to provide financial assistance through TWPH and/or its subsidiaries ("**TWPH Group**" or the "**Group**") to LCTWP, by way of:

(i) in form of cash advances to subscribe for ordinary shares, redeemable non-convertible non-cumulative preference shares ("**RNCPS**") and/or redeemable non-convertible cumulative preference shares ("**RCPS**") in LCTWP ("**Subscription Securities**") of up to RM100.0 million; and

(ii) to provide guarantees, indemnities and/or collaterals for banking facility(ies) to be obtained by LCTWP from bank(s) or financial institution(s) of up to RM150.0 million which is in proportion to its current shareholding in LCTWP held via its subsidiary, TWPSB,

up to an aggregate amount of RM250.0 million ("**Proposed Provision of Financial Assistance**");

(b) in the event LCTWP is not able to procure any financing facility(ies) from bank(s) or financial institution(s), to contribute in the form of cash contributions not exceeding RM250.0 million to fund TWPSB's subscription of the Subscription Securities to meet the capital expenditure and working capital requirements of LCTWP as may be required pursuant to the terms of the JVSA ("**Proposed Subscription**"); and

(c) for the proposed diversification of the existing core business of the TWPH Group to include property development and property investment, after taking into consideration the Group's proposed investment in LCTWP via either the Proposed Provision of Financial Assistance or the Proposed Subscription which may potentially result in the diversion of 25% or more of the TWPH Group's net assets ("**NA**") or contribution from such an operation of 25% or more to the net profits of TWPH's Group in the future ("**Proposed Diversification**").

Please refer to the attachment for further details of the Proposals.

This announcement is dated 3 April 2018.

Please refer attachment below.

Attachments

[TWPB announcement 030418.pdf](#)
542.1 kB

Announcement Info

Company Name	TIEN WAH PRESS HOLDINGS BERHAD
Stock Name	TIENWAH
Date Announced	03 Apr 2018
Category	General Announcement for PLC
Reference Number	GA1-02042018-00020

TIEN WAH PRESS HOLDINGS BERHAD (“TWPH” OR THE “COMPANY”)

(I) PROPOSED PROVISION OF FINANCIAL ASSISTANCE;

(II) PROPOSED SUBSCRIPTION; AND

(III) PROPOSED DIVERSIFICATION

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

1. INTRODUCTION

On 24 August 2015, the Company announced that a Memorandum of Understanding (“**MOU**”) was entered into between TWPH and Lum Chang Holdings Limited (“**LCH**”) 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 the title number 3674 and 3967, Lot 30 & 4, Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan, on land measuring approximately 13,040 square metres, on a 99-year lease from the State Government of Selangor, Malaysia (“**Land**”) with a residue of approximately forty-seven (47) years as at 20 March 2018, being the latest practicable date (“**LPD**”) (“**Proposed Development**”).

On 16 May 2016, the Company announced that it had entered into the following agreements:

- (a) a shareholder’s agreement between Tien Wah Properties Sdn Bhd (“**TWPSB**”), a wholly owned subsidiary of TWPH and Kemensah Holdings Pte Ltd (“**KHPL**”), a wholly owned subsidiary of LCH, to form and operate a joint venture company known as Lum Chang Tien Wah Property Sdn Bhd (formerly known as Sterling Model Sdn Bhd) (“**LCTWP**”) for the Proposed Development (“**JVSA**”); and
- (b) a sale and purchase agreement between TWPSB and LCTWP (“**Land SPA Parties**”) in respect of the sale of the Land (“**SPA**”).

Collectively, KHPL and TWPSB shall be referred to as the “**Joint Venture Parties**”.

The salient terms of the JVSA and the SPA were as announced by TWPH on 16 May 2016.

On 30 March 2018, the Company announced that the Land SPA Parties agreed to sign a supplemental letter for purpose to extend the timeline for the delivery of vacant possession of the Land until 30 September 2018 due to the unforeseen increased in demand on production which resulted in a delay in the anticipated closure of the factory operations by a subsidiary of TWPH on the Land. The Land SPA Parties had also agreed to extend the long stop completion period from 31 March 2018 to 30 September 2018, or such longer period as the Land SPA Parties may mutually agree in writing (“**Extended Long Stop Completion Date**”). In this respect, TWPSB agreed and acknowledged that the obligation of LCTWP to pay the balance sum shall as a consequence, be extended to the Extended Long Stop Completion Date. All other terms and conditions as stated in the SPA shall remained unchanged and in full force and effect.

Pursuant to the above, on 3 April 2018, on behalf of the Board of Directors of TWPH (“**Board**”), Inter-Pacific Securities Sdn Bhd (“**IPS**”) is pleased to announce that TWPH wishes to seek the approvals from the shareholders of TWPH for the following:

- (a) to provide financial assistance through TWPH and/or its subsidiaries (“**TWPH Group**”) or the “**Group**”) to LCTWP, by way of:
 - (i) in form of cash advances to subscribe for ordinary shares, redeemable non-convertible non-cumulative preference shares (“**RNCPS**”) and/or redeemable non-convertible cumulative preference shares (“**RCPS**”) in LCTWP (“**Subscription Securities**”) of up to RM100.0 million; and

- (ii) to provide guarantees, indemnities and/or collaterals for banking facility(ies) to be obtained by LCTWP from bank(s) or financial institution(s) of up to RM150.0 million which is in proportion to its current shareholding in LCTWP held via its subsidiary, TWPSB,

up to an aggregate amount of RM250.0 million (“**Proposed Provision of Financial Assistance**”);

- (b) in the event LCTWP is not able to procure any financing facility(ies) from bank(s) or financial institution(s), to contribute in the form of cash contributions not exceeding RM250.0 million to fund TWPSB’s subscription of the Subscription Securities to meet the capital expenditure and working capital requirements of LCTWP as may be required pursuant to the terms of the JVSA (“**Proposed Subscription**”); and
- (c) for the proposed diversification of the existing core business of the TWPH Group to include property development and property investment, after taking into consideration the Group’s proposed investment in LCTWP via either the Proposed Provision of Financial Assistance or the Proposed Subscription which may potentially result in the diversion of 25% or more of the TWPH Group’s net assets (“**NA**”) or contribution from such an operation of 25% or more to the net profits of TWPH’s Group in the future (“**Proposed Diversification**”).

Further details of the Proposals are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSALS

2.1 Details of the Proposed Provision of Financial Assistance

Paragraph 8.23(2)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) states that where the provision of financial assistance is to an associated company or the joint arrangement of a listed issuer, and the expected aggregate amount provided or to be provided at any time to each associated company or joint arrangement of the listed issuer is equal to or exceeds 5% of the net tangible assets (“**NTA**”) of the listed issuer, the listed issuer is required to issue a circular to its shareholders and seek its shareholders’ approval in an extraordinary general meeting (“**EGM**”).

The Proposed Provision of Financial Assistance is to enable LCTWP to undertake the Proposed Development. The Joint Venture Parties agreed that the development costs for the Proposed Development shall not exceed RM500.0 million, which shall be funded by a combination of funds from the Joint Venture Parties not exceeding RM100.0 million each respectively and bank borrowings or financing from bank(s) or financial institution(s) to be procured by LCTWP not exceeding RM300.0 million as set out in Clause 12.1 of the JVSA. In this regard, TWPH is required to provide financial assistance through TWPH Group to LCTWP in form of cash advances to subscribe for the Subscription Securities of up to RM100.0 million.

In addition, pursuant to the terms of the JVSA and for the purposes of the Proposed Development, TWPH may be also required to provide its share of the guarantee, indemnity, undertaking, provision of collateral for a debt or assumption of financial obligation, in whatsoever manner to the potential financier(s) to secure the repayment of monies owing due, unpaid or outstanding by LCTWP in respect of any financing facility(ies) not exceeding RM300.0 million to be taken by LCTWP from such financier(s) (“**Corporate Guarantee(s)**”) to meet the working capital and capital expenditure requirements of LCTWP for the purpose of the Proposed Development.

The salient terms of the JVSA is as set out in Appendix I of this announcement.

The Subscription Securities shall comprise ordinary shares, RNCPS and RCPS. The details of the terms of the RNCPS and RCPS are as set out in Appendices II and III of this announcement respectively.

Please refer to Section 2.2.1 for the basis and justification of arriving at the issue prices of the Subscription Securities.

The exact quantum of the Corporate Guarantee(s) cannot be determined at this juncture as the amount will depend on, amongst others, the amount of external financing required to be obtained by LCTWP for the purpose of the Proposed Development. The Corporate Guarantee(s) is/are expected to subsist throughout the tenure of the loan(s) granted to LCTWP or until the full and final repayment of the financing facility(ies), whichever is the earlier, in accordance with the terms and conditions of the financing facility(ies) granted by bank(s) or financial institution(s).

The estimated details of the financial assistance to be provided by TWPH through TWPSB in favour of LCTWP are as follows:

Details	Financial assistance		Amount of financial assistance*
	Provided by	Provided to	
Cash contribution to fund the subscription of the Subscription Securities	TWPH	LCTWP	Up to RM100.0 million
Corporate Guarantee(s)	TWPH	LCTWP	Up to RM150.0 million

Note:

* Pursuant to Clause 12.1 of the JVSA, the Joint Venture Parties shall contribute funds not exceeding RM100.0 million each respectively and LCTWP shall procure bank borrowings or financing from bank(s) or financial institution(s) not exceeding RM300.0 million where the Joint Venture Parties may be required to provide Corporate Guarantee(s) on a 50:50 basis ("**Agreed Proportion**").

Based on the above, TWPH wishes to seek approval from the shareholders of TWPH to provide financial assistance through TWPH Group to LCTWP, in the form of funding via:

- (a) subscription of the Subscription Securities by cash of up to RM100.0 million; and
- (b) provision of corporate guarantee(s), indemnity(ies) and/or collateral(s) for banking facility(ies) to be obtained by LCTWP from bank(s) or financial institution(s) of up to RM150.0 million,

2.2 Details of the Proposed Subscription

Pursuant to Clause 12.1 of the JVSA, the Joint Venture Parties agree that the development costs for the Proposed Development shall not exceed RM500.0 million, which shall be funded by a combination of funds from the Joint Venture Parties not exceeding RM100.0 million each respectively and bank borrowings or financing from bank(s) or financial institution(s) to be procured by LCTWP not exceeding RM300.0 million.

However, in the event that LCTWP is unable to procure any financing facility(ies) from bank(s) or financial institutions(s), Clause 12.4 of the JVSA provides that where borrowings from bank(s) or financial institution(s) cannot be obtained by LCTWP, the Joint Venture Parties shall contribute towards such capital expenditure and working capital requirements by subscribing in cash for such number of RNCPS at a subscription price to be determined later ("**RNCPS Subscription Price**") at the Agreed Proportion and/or RCPS at a subscription price to be determined later ("**RCPS Subscription Price**"), as the case may be, up to the aggregate amount of RM300.0 million. Therefore, each of the Joint Venture Parties may be required to subscribe for the Subscription Securities amounting up to the amount of RM250.0 million each in LCTWP to meet the capital expenditure and working capital requirements of LCTWP, as may be required pursuant to the terms of the JVSA.

2.2.1. Basis and justification of arriving at the issue prices of the Subscription Securities

The ordinary shares of LCTWP shall be issued at RM1.00 per ordinary share. The RNCPS shall have a subscription price of RM1.00 each. The RCPS shall have a subscription price of RM1.00 each. The issue prices of the ordinary shares of LCTWP, RNCPS and RCPS are based on the terms as agreed by the Joint Venture Parties and are set out in the JVSA.

2.2.2 Source of funding

The Proposed Provision of Financial Assistance or the Proposed Subscription shall be funded via internally generated funds and/or bank borrowings by TWPH Group, the breakdown of which has yet to be finalised at this juncture.

2.2.3 Liabilities to be assumed

Save for any potential borrowings to be procured to fund the subscription of the Subscription Securities pursuant to the Proposed Subscription or the Proposed Provision of Financial Assistance, there are no other liabilities, contingent liabilities or guarantees to be assumed by the Company pursuant to the Proposals.

2.2.4 Additional financial commitment

Save for the working capital and capital expenditure requirements of LCTWP for the purposes of the Proposed Development which will be funded by the proceeds from the Proposed Subscription or the Proposed Provision of Financial Assistance, there is no material additional financial commitment which TWPH Group is expected to incur in relation to the Proposals.

2.3 Details of the Proposed Diversification

Presently, the TWPH Group is principally involved in the printing and trading business. Save for its investment of 50% equity interest in LCTWP formed principally for the purpose of the Proposed Development, TWPH Group intends to continue with its existing core business.

In accordance with Paragraph 10.13 of the MMLR, TWPH is required to obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:

- (i) the diversion of 25% or more of the NA of the TWPH Group to an operation which differs widely from those operations previously carried on by the TWPH Group; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the TWPH Group.

In assessing the extent of diversification or the amount of contribution to the net profits of TWPH Group, consideration should be taken of any associated transactions or loans effected or intended and of contingent liabilities or commitments.

The Proposed Provision of Financial Assistance or the Proposed Subscription are expected to result in a diversion of more than 25% of the NA of the TWPH Group or to contribute more than 25% of the net profits of the TPWH Group in the future. In this regard, the Board proposes to seek the approval from the shareholders of TWPH for the proposed diversification of the TWPH Group's existing core business to include property development and property investment business pursuant to Paragraph 10.13 of the MMLR at an EGM to be convened.

3. BACKGROUND INFORMATION

3.1 Information on LCTWP

LCTWP (Company No: 1179139-K) was incorporated as Sterling Model Sdn Bhd before changing its name to LCTWP on 12 July 2016. It is a private limited company incorporated in Malaysia on 11 March 2016. The intended principal activity of LCTWP is property development and property investment. LCTWP was set up to undertake the Proposed Development by the Joint Venture Parties.

As at the LPD, the issued share capital of LCTWP is RM12,000,000 comprising 10,000,000 ordinary shares (“**LCTWP Shares(s)**”) and 2,000,000 RNCPS. The shareholders of LCTWP are TWPSB and KHPL owning 5,000,000 LCTWP Shares and 1,000,000 RNCPS each, representing 50:50 ownership. LCTWP is effectively a jointly controlled entity of the Company.

Based on the unaudited financial statements of LCTWP for the financial year ended (“**FYE**”) 31 December 2017, LCTWP recorded a loss after tax (“**LAT**”) of RM1.6 million and the NA of LCTWP as at 31 December 2017 is RM9.8 million.

Please refer to Appendix IV for further information on LCTWP.

3.2 Information on LCH

LCH (JEN No. 198203949N) is a company incorporated in Singapore on 18 September 1982 and listed on the Singapore Stock Exchange with an issued and fully paid-up share capital of SGD86.58 million as at 28 February 2018. LCH engages in construction, project management, property development and investment activities in Singapore and internationally.

The details of the substantial shareholders of LCH and their respective shareholdings (including deemed interests) in LCH as at 28 February 2018 are set out below:

Name	Nationality/ Country of incorporation	Shareholding	
		No. of LCH shares	%
Raymond Lum Kwan Sung	Singaporean	⁽ⁱ⁾ 15,528,397	4.07
Lum Chang Investments Pte Ltd	Singapore	59,839,742	15.67
Lum Kok Seng	Singaporean	⁽ⁱⁱ⁾ 10,938,436	2.86
Beverian Holdings Pte Ltd	Singapore	66,082,600	17.31

Notes:

- (i) Including deemed interest in 59,839,742 shares in LCH beneficially owned by Lum Chang Investments Pte Ltd.
- (ii) Including deemed interest in 66,082,600 shares in LCH beneficially owned by Beverian Holdings Pte Ltd.

The details of the directors of LCH and their respective shareholdings (including deemed interests) in LCH as at 28 February 2018 are set out below:

Name	Nationality	Direct shareholding		Indirect shareholding	
		No. of LCH shares	%	No. of LCH shares	%
Raymond Lum Kwan Sung	Singaporean	15,528,397	4.07	59,839,742	15.67
Lum Kok Seng	Singaporean	10,938,436	2.86	66,082,600	17.31
Tony Fong	British	300,000	0.08	17,000	*
Kelvin Lum Wen Sum	Singaporean	-	-	-	-
Daniel Soh Chung Hian	Singaporean	-	-	-	-
Peter Sim Swee Yam	Singaporean	10,000	*	-	-
Dr Willie Lee Leng Ghee	Singaporean	-	-	-	-
Andrew Chua Thiam Chwee	Singaporean	-	-	-	-

Note:

- * Negligible.

3.3 Information on the Joint Venture Parties

3.3.1 TWPSB

TWPSB (Company No: 428504-A) was incorporated in Malaysia on 23 April 1997 as a private limited company under the Companies Act, 1965 and is a wholly-owned subsidiary of TWPH. The principal activity of TWPSB is investment property holdings.

As at the LPD, TWPSB has an issued share capital of RM2.00 comprising two (2) ordinary shares.

The details of the directors of TWPSB and their respective shareholdings in TWPSB as at the LPD are set out below:

Name	Nationality	Direct shareholding		Indirect shareholding	
		No. of TWPSB shares	%	No. of TWPSB shares	%
Yen Wen Hwa (Ngan Tzee Manh)	Singaporean	-	-	⁽ⁱ⁾ 2	100.00
Lee Chee Whye	Singaporean	-	-	-	-
Lam Hoi Khong	Malaysian	-	-	-	-

Note:

- (i) *He is a major shareholder of TWPH by virtue of his shareholdings in Yen & Son Holdings Pte Ltd ("Yen & Son") and New Toyo International Holdings Ltd ("NTIH") pursuant to Section 8 of the Companies Act, 2016 ("Act").*

NTIH is a major shareholder of TWPH and is also the ultimate holding company of TWPSB.

Yen & Son is a major shareholder of TWPH and is deemed interested by virtue of its shareholdings in NTIH pursuant to Section 8 of the Act.

3.3.2 KHPL

KHPL (Company Registration No. 200507282D) is a private limited company incorporated in Singapore on 27 May 2005 and is wholly owned by LCH, with an issued and fully paid-up share capital of RM22.18 million as at 28 February 2018. The principal activity of KHPL is investment holdings.

The details of the directors of KHPL and their respective shareholdings in KHPL as at 28 February 2018 are set out below:

Name	Nationality	Direct shareholding		Indirect shareholding	
		No. of KHPL shares	%	No. of KHPL shares	%
Lum Kok Seng	Singaporean	-	-	-	*
Adrian Lum Wen-Hong	Singaporean	-	-	-	-
Tony Fong	British	-	-	-	*

Note:

- * *They are also directors of the immediate and ultimate holding company, LCH. Pursuant to Section 164(3) of Singapore's Companies Act, their interest in any shares, share options or debentures of KHPL and related corporations at the beginning and at the end of the financial year are shown in the register of directors' shareholdings of the immediate and ultimate holding company, LCH.*

4. RATIONALE AND BENEFITS OF THE PROPOSALS

The Joint Venture Parties, via LCTWP, intend to undertake the proposed development of a mixed-use commercial development at No 9 & 11, Jalan Semangat, 46200 Petaling Jaya, Selangor Darul Ehsan under the title number 3674 and 3967, Lot 30 & 4, Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan, on land measuring approximately 13,040 square metres on a 99-year lease from the State Government of Selangor, Malaysia with residue of approximately forty-seven (47) years as at the LPD.

The Proposed Subscription and the Proposed Provision of Financial Assistance are integral terms to the JVSA which provides an opportunity for the Joint Venture Parties to work together to undertake the Proposed Development. The Proposed Subscription and the Proposed Provision of Financial Assistance will assist LCTWP to raise adequate project financing as well as to facilitate the Proposed Development, which is expected to contribute positively to TWPSB and in turn, TWPH's future income stream.

In respect of the above, the Joint Venture Parties shall contribute proportionately to the capital of LCTWP to fund the Proposed Development based on their respective equity interests in LCTWP in the form of ordinary shares, RNCPS and/or RCPS. As such, the Proposed Subscription will enable TWPH to provide through TWPSB in favour of LCTWP in accordance with TWPH's proportionate equity interest shareholdings structure in TWPSB via the Proposed Subscription with the purpose of funding the Proposed Development as set out in the JVSA.

In view of the fact that LCTWP is a newly incorporated entity and has no previous financial track record, the Proposed Subscription and Proposed Provision of Financial Assistance will help secure LCTWP's financial needs for the Proposed Development. The availability of expedient funding would help to avoid unnecessary delays throughout the development period of the Land and to ensure the timely completion of the Proposed Development.

The Group's long-term growth plan includes growing the printing and trading business organically as well as diversifying its business by venturing into other viable and revenue-generating businesses. The Proposals enables the Group to diversify its business into property development and property investment while leveraging on LCH's core competencies and experiences in the property development and property investment industry as LCH, via its wholly-owned subsidiary KHPL, as a joint venture party, has an 50% equity interest in LCTWP and will also contribute towards LCTWP's capital expenditure and working capital requirements by subscription in cash for the Subscription Securities in the Agreed Proportion as set out under the terms of the JVSA.

Premised on the foregoing, the Board believes that the Proposals augur well with TWPH Group's long-term objective to achieve sustainable growth and value creation for the shareholders of TWPH. Notwithstanding the above, the TWPH Group intends to continue its printing and trading business whilst venturing into property development and property investment.

5. INDUSTRY OVERVIEW

5.1 Overview and prospects of the Malaysian economy

For the fourth quarter of 2017, the Malaysian economy registered a growth of 5.9% (3Q 2017: 6.2%) as private sector spending continued to be the primary driver of growth (7.4%; 3Q 2017: 7.3%). The external sector performance improved further (5.4%; 3Q 2017: 1.7%), as real import growth moderated faster than real export growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (3Q 2017: 1.8%). For the year as a whole, the economy registered a robust growth of 5.9%.

Domestic demand expanded by 6.2% (3Q 2017: 6.6%) supported by continued strength in private sector expenditure (7.4%; 3Q 2017: 7.3%), amid waning support from public sector spending (3.4%; 3Q 2017: 4.0%).

Private consumption expanded by 7.0% (3Q 2017: 7.2%), supported by continued wage and employment growth. Private investment registered a higher growth of 9.2% (3Q 2017: 7.9%), driven mainly by the services and manufacturing sectors. Capital spending was supported by continued business optimism and favourable demand, which was evident across both export- and domestic-oriented industries.

Public consumption expanded by 6.9% (3Q 2017: 3.9%) mainly driven by higher spending on supplies and services by the Federal Government.

Public investment contracted during the quarter (-1.4%; 3Q 2017: 4.1%), due to lower capital spending by both the General Government and public corporations.

Gross fixed capital formation growth moderated to 4.3% (3Q 2017: 6.7%) mainly due to a contraction in public investment. By type of assets, capital spending on machinery and equipment continued to register a strong growth of 8.3% (3Q 2017: 11.5%). Investment in structures was broadly sustained at 3.3% (3Q 2017: 3.6%) while investment in other types of assets contracted by 6.7% (3Q 2017: 7.2%).

(Source: Developments in the Malaysian Economy in the Fourth Quarter of 2017, Bank Negara Malaysia)

5.2 Overview and outlook of the Malaysian property market

The non-residential subsector grew 4.9% to RM6.4 billion (January - June 2016: RM6.1 billion). The growth was mainly supported by starts for shops and service apartments which rebounded 29.3% and 14% (January - June 2016: -46.7%; -35%), respectively. However, construction starts in the industrial and Small Office Home Office declined 9.7% and 16.1%, respectively (January - June 2016: -76.7%; -24.9%) mainly due to moderation in the oil and gas (O&G)-related industries. Similarly, planned supply of Purpose-Built Office (PBO) contracted 6.1% to 972,995 square meters ("sm") (January - June 2016: 60.1%; 1,036,671 sm). Meanwhile, construction starts for PBO remained unchanged at 277,776 sm.

The shop overhang increased 54.3% to 7,754 units valued at RM5.1 billion (January - June 2016: 2.2%; 5024 units; RM2.5 billion). Nevertheless, demand for commercial space, especially in prime areas remained favourable with the average occupancy rate of office and retail space at 83.5% and 81.5% respectively indicating sustained demand for commercial space, especially in prime areas. As of June 2017, the existing stock for shopping complexes and industrial buildings stood at 15.1 million sm and 111,792 units (end-June 2016: 14.2 million sm; 106,453 units), respectively. Meanwhile, the shop segment recorded 5,829 transactions worth RM4.6 billion (January - June 2016: 6,452; RM4.7 billion), constituting 56.2% of total transactions in the commercial property. Johor and Selangor contributed the highest market volume with 18.4% and 16.8%, respectively.

(Source: Economic Report 2017/2018, Ministry of Finance Malaysia)

On an annual basis, activities in the housing market have shown some improvements. Total housing transaction volume recorded a smaller contraction of 4.2% (2Q 2017: -8.4%) with 47,501 units of houses being transacted in 3Q 2017. The value of housing transaction also showed signs of improvement, recording a positive annual growth of 8.9% (2Q 2017: -1.5%). The improvement was contributed largely by transactions of houses priced at RM500,000 and above. House prices (as measured by the Malaysian House Price Index) continued to increase at a moderate annual pace of 6.8% in 2Q 2017 (1Q 2017: +6.7%), well below previous peaks observed during the 2012-2013 period (average growth of 12.3%).

Borrowers continued to have access to home financing, especially the first-time house buyers. The growth in outstanding house financing increased to 8.9% (3Q 2017: +8.8%), while the overall housing loan approval rate for the purchase of houses priced below RM500,000 remained high at 72.3% (3Q 2017: 73.9%).

Demand for financing for speculative house purchases remained muted. During the quarter, the share of the number of housing loans settled within three years (the typical duration required to complete construction after a property is acquired) stood at 7.9% (3Q 2017:10.5%) of total settled housing loans. The annual growth in the number of borrowers with three or more outstanding housing loans (a proxy for speculative buyers) remained low at 0.9% (3Q 2017: +0.7%). The credit quality for overall housing loans also remained sound, with delinquency and impairment ratios at 1.3% and 1.0% of total bank loans, respectively (3Q 2017: 1.2% and 1.1%, respectively).

Rental rates in the office space and shopping complex segments remained low in 3Q 2017 amid excess supply. Direct risks to banks from end-financing exposures to the office space and shopping complex segments remained small at 3.2% of total bank loans, supported by sound lending and valuation practices. The delinquency and impairment ratios for non-residential property segment remained low at 0.7% and 1.1%, respectively (3Q 2017: 0.6% and 1.2%, respectively).

(Source: BNM Quarterly Bulletin – Fourth Quarter 2017, Bank Negara Malaysia)

5.3 Prospects of the Proposed Development pursuant to the Proposals

The Proposed Development entails the development of a mixed-use commercial property on the Land located in Petaling Jaya, Selangor. At present, one of TWPH's offices is situated on the Land. The SPA for the disposal of the Land to LCTWP has not been completed as one of the condition precedents for completion is for TWPH to vacate the factory and offices erected on the Land. As at the LPD, TWPH has yet to vacate the Land.

The proposed development of the mixed-use commercial property is intended to maximise the usage of the Land owned by the TWPH Group with the long-term intention of maximizing its shareholders' value. The Proposed Development is in line with TWPH Group's strategy to grow and diversify its business operations towards sustainable growth as well as to derive various segmental revenue via diversification. The Board wishes to inform that the development plan of the Proposed Development has yet to be finalised and it is still at the preliminary stage. Hence, TWPH is unable to provide details of the Proposed Development at this stage or the actual/eventual funding required from each of the Joint Venture Parties. The commencement and the launch dates for the Proposed Development are contingent upon procuring the relevant authorities' approvals for the Proposed Development and also dependent on the property market conditions after such approvals are obtained. TWPH is unable to determine the probable commencement and completion dates for the Proposed Development presently.

Nevertheless, the Board is of the view that the prospects of the Land and the Proposed Development are positive and will remain positive in the foreseeable future. Residents or workers at the said location and in the surrounding vicinity will be able to access a wide range of amenities including shopping malls, education institutions, hotels and medical facilities. Some of the developments surrounding the Land include, amongst others, the Jaya Shopping Complex, Jaya 33, Plaza 33, VSQ Shopping Complex, Brickfields Asia College and the Best Western Hotel Petaling Jaya. It also benefits from being situated close to the Asia Jaya and Taman Jaya Light Rail Transit (LRT) stations which increases its accessibility. The highly convenient and strategic location presents an opportunity for TWPH Group to capitalise on the neighbouring vicinity in relation to the Proposed Development on the Land.

The mixed-use commercial property is expected to contribute positively to TWPH Group's future income stream after it is developed, in view of the strategic location and the positive outlook of the Malaysian economy. The Board also notes the oversupply of commercial properties which resulted in the increase in shop overhang but believes that its strategic location offsets the disadvantages, premised on the basis that there is sustained demand for commercial properties in prime locations.

(Source: Management of TWPH)

6. RISK FACTORS

In relation to the Proposals, the Company had identified the following risk factors that may arise:

6.1 Diversification in operations risk

The Group is principally engaged in the printing and trading business. As the intended venture into property development would result in the diversification of the Group's business into a new business, the Group is exposed to the risks of diversification in operations. The risks include, inter alia, inefficiency of operations and lack of expertise in dealing with competition and technical aspects that may arise from the construction and development of the property. There is no assurance that the Proposed Diversification will not have an impact on the performance of the Group. The Group seeks to limit this risk by seeking advice from various experts and its joint venture partner, and intends to recruit experienced management team to drive the property development and property investment division.

6.2 Business risks

Pursuant to the Proposals and the Proposed Development, the Group's performance would then also be affected by the performance and inherent business risks associated with the property development industry. The new business activities will expose the Group to risks inherent in the property development industry which include shortages of building materials, increases in labour costs e.g. minimum wages implementation, shortages of labour including foreign workers, default by purchasers and availability of funds to finance the Proposed Development. The increase in building materials and labour costs have caused a great challenge to property developers to develop projects that are affordable to the general public. Building materials are a significant portion of the development costs. Any significant increase in the costs of raw materials and fluctuation in costs could have an adverse effect on the profit margin of the project or force the project to be sold at higher selling prices which would eventually affect the project sell-out rate. Although the Group seeks to limit these risks by, inter-alia, effective resource management, effective cost-control, and prudent investment strategy, no assurance can be given that any change in these factors will not have a material adverse impact on the Group.

6.3 Competition

With the advent of the Proposed Diversification, TWPH Group faces competition from both new entrants and existing players in the property development industry. TWPH Group will face competition particularly in terms of managing the costs of the Proposed Development and marketing strategy of the property to be developed. In addition, TWPH Group may face some disadvantages as a new entrant in the property development industry as it lacks a track record in terms of experience and technical expertise. Measures that will be taken by the TWPH Group to mitigate competition risk include conducting market survey before undertaking the development. These include the population of the identified area, ongoing or potential projects nearby and the demand of the local market. The Group will also cautiously monitor the development plan and if necessary, adjust its development plan prior to the launching of the Proposed Development. Nonetheless, no assurance can be given that the underlying measures would be sufficient to mitigate the risk and any shortfall therefrom would not have any material adverse impact to TWPH Group in the future.

6.4 Delay in completion of the Proposed Development

The completion of a development project on time is dependent on many external factors which may be beyond the control of the Group, such as obtaining the requisite approvals (including land conversion approval), licenses and permits, from various regulatory authorities as scheduled, sourcing and securing quality construction materials in adequate amounts, favourable credit terms, environmental factors such as weather conditions, and satisfactory performance of contractors who will be appointed to complete the development project. Any significant delay is likely to have an adverse effect on the Proposed Development which may in turn affect the Group's financial performance and reputation. The board of directors of LCTWP will take proactive measures to mitigate these risks by among others effective planning, timely implementation and appointment of project manager(s) to closely monitor the progress of each project.

6.5 Political and economy risks

Adverse developments in political and economic conditions in Malaysia and globally could materially affect the property industry in the country. Political and economic uncertainties include changes in labour laws, interest rates, risks of expropriation of land by authorities, rate of stamp duty and methods of taxation as well as the tax rate. No assurance can be given that any changes to the political and economic conditions would not have any material impact on TWP Group's intended diversification into the property development and property investment business and financial performance in the future.

6.6 Construction risks that may affect the Proposed Development

The construction industry may be adversely affected by many factors including, inter alia, shortages of materials, equipment and labour, fluctuation of construction costs (higher raw materials and labour costs), labour disputes, availability and rising cost of financing, adverse weather conditions, failure or postponement in issuance of licences and permits as well as changes in government and legislations. Construction delays, loss of revenue and cost overruns are likely to result from such events, which could in turn materially and adversely affect the operations and financial performance of the Proposed Development.

The board of directors of LCTWP will have to make effort to reduce the Proposed Development's exposure to such inherent business risks. Amongst the key factors in reducing the risk of cost overruns or project delays is the ability of the Joint Venture Parties' experienced project management team in planning for the avoidance and/or mitigation of possible problems during the construction of the Proposed Development.

6.7 Performance of the property market

TWP Group will be subject to risks inherent in the property development industry pursuant to the Proposed Development. Such risks may include adverse changes in real estate market prices, changes in demand for types of residential and commercial properties, competition from other property developers and the construction risks mentioned in Sections 6.3 and 6.6 above.

The success of the Proposed Development which involve the mixed-use commercial property will be heavily dependent on the performance of the property market in Malaysia. Any adverse developments affecting the property market such as, inter alia, deterioration in property demand, introduction of cooling down measures / more stringent regulations and stricter lending by bank(s) and financial institution(s) which inhibit prospective end purchasers of the properties to obtain financing from the bank(s) or financial institution(s) may have an adverse impact on the success of the Proposed Development.

6.8 Risk of not able to obtain project financing by LCTWP for the Proposed Development

As mentioned in Section 2.2 of this announcement, in the event that LCTWP is unable to procure borrowings from bank(s) or financial institution(s), the Joint Venture Parties, in accordance to Clause 12.4 of the JVSA, shall contribute towards such capital expenditure and working capital requirements by subscribing in cash for such number of RNCPS at the RNCPS Subscription Price at the Agreed Proportion and/or RCPS at the RCPS Subscription Price, as the case may be. Therefore, each of the Joint Venture Parties may be required to subscribe for the Subscription Securities amounting up to RM250.00 million each in LCTWP.

6.9 Disputes between the Joint Venture Parties

Disputes between the Joint Venture Parties as shareholders of LCTWP may arise in the course of the JVSA, which may materially and adversely affect the business, operation or financial condition of LCTWP. The JVSA however provides for the shareholders of LCTWP, namely TWPSB and KHPL to firstly endeavour to resolve any dispute amongst them amicably through negotiations in good faith before referring the matter to arbitration. The JVSA also provides that notwithstanding any deadlock between the Joint Venture Parties, whether existing or pending resolution, the day-to-day operations and business of LCTWP shall continue to be carried on in accordance with the then approved annual business plan and budget.

Further, default by any party to the JVSA is an inherent risk in any joint venture and similarly may materially and adversely affect the business, operation or financial condition of LCTWP. The JVSA has a detailed process to deal with default events, including giving the defaulting party the opportunity to remedy such breach and if not remedied, the option to terminate the JVSA.

Notwithstanding the provisions of the JVSA, the Board will take all reasonable steps to ensure the due performance by the Joint Venture Parties of the JVSA and have continuous discussions with KHPL on the affairs of LCTWP to avoid any potential disputes.

6.10 Dependency on key personnel

As in any other business, the TWPH Group's involvement in property development is through LCTWP by undertaking the Proposed Development as its maiden project. Notwithstanding some of the directors appointed to the board of directors of LCTWP have past experience in property development, TWPH Group depends largely on the abilities, skills, experience, competency and continued efforts of LCH and its key management for the Proposed Development.

The loss of any relevant key management personnel of LCTWP without suitable and timely replacement, or the inability of LCTWP to attract and retain other qualified personnel, could adversely affect the operation of the Proposed Development and consequently, its revenue and profitability. This will indirectly affect the financial performance of TWPH Group.

Recognising the importance of key management, TWPH Group and LCH will continuously adopt appropriate approaches to retain key personnel. To avoid over dependence on any key personnel, LCTWP strives to attract qualified and experienced employees, as well as to address the succession planning programme by grooming junior employees to complement the management team of LCTWP. This will in turn help to ensure continuity and competency of the management team of LCTWP.

6.11 Risk that shareholders of TWPH do not approve the resolutions pertaining to the Proposals in the forthcoming EGM

If the shareholders of TWPH do not approve the resolutions pertaining to the Proposals in the forthcoming EGM, TWPSB, being one of the Joint Venture Parties to LCTWP would be in breach of the JVSA, triggering, inter alia, a termination by default. In this event of default, TWPSB would be deemed to have offered to sell and transfer all the Subscription Securities then registered in TWPSB's name to KHPL, subject to the default selling price agreed between the parties in the JVSA. This default selling price shall be the proportioned fair value less twenty per centum (20%). For context, the proportioned fair value is an amount equivalent to fifty per cent (50%) of the fair value.

In such an event, this may materially and adversely affect the business, operation and/or financial condition of LCTWP.

7. EFFECTS OF THE PROPOSALS

7.1 Share capital and substantial shareholders' shareholding

The Proposals are not expected to have any effect on the share capital and the substantial shareholders' shareholdings of TWPH as the Proposals do not involve any issuance of new shares in TWPH.

7.2 NA per share and gearing

The Proposals are not expected to have any material effect on the consolidated NA per share and gearing of TWPH for the FYE 31 December 2018 as the construction of the Proposed Development is expected to commence in year 2019. However, the profit contribution arising from the Proposed Development is expected to have a positive impact on the future NA of the Group while the future gearing of the Group will depend on, amongst others, the eventual manner of funding for the Proposed Development from the Joint Venture Parties.

7.3 Earnings and earnings per share ("EPS")

The Proposals are not expected to have any material effect on the earnings and EPS of TWPH for the FYE 31 December 2018.

Barring unforeseen circumstances, the Board believes that as and when the Proposed Development commences and progresses, the Proposals are expected to contribute positively to the earnings and EPS of TWPH Group in the future.

7.4 Convertible securities

As at the date of this announcement, the Company has no outstanding convertible securities.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the directors, major shareholders of TWPH and/or persons connected with such directors and major shareholders have any interest, direct or indirect, in the Proposals save for Yen Wen Hwa (Ngan Tzee Manh) and Lee Chee Whye, who are directors of TWPSB and were appointed as directors of LCTWP to represent the interest of TWPSB in LCTWP.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

Accordingly, the Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

10. APPROVALS TO BE SOUGHT

The Proposals are subject to the approval of its shareholders of TWPH at an EGM to be convened. No government approval is required for the Proposals.

The Proposed Provision of Financial Assistance, Proposed Subscription and Proposed Diversification are inter-conditional upon one another.

The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

The circular to the shareholders containing details of the Proposals together with the Notice of EGM will be dispatched to the shareholders of the Company in due course.

11. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Subscription pursuant to Paragraph 10.02(g) of the MMLR is 99.16% based on the latest audited financial statements of TWPH when the JVSA was entered into, being the audited financial statements for the FYE 31 December 2015.

12. ESTIMATED TIME FRAME FOR COMPLETION

The cash contribution to be utilised for the subscription of the Subscription Securities is expected to be drawn down as and when required and the Corporate Guarantee(s) to facilitate the Proposed Development will be provided to the prospective financier(s) in respect of any financing facility(ies) to be taken by LCTWP from the prospective financier(s), if required, after obtaining the approvals for the resolutions pertaining to the Proposals from the shareholders of TWPH at any time and from time-to-time during the development period for the Proposed Development.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The MOU, JVSA and the SPA will be available for inspection at the registered office of TWPH at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (excluding public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 3 April 2018.

SALIENT TERMS OF THE JVSA

The salient terms of the JVSA are as follows:

Clause	Salient Terms
<u>Clause 3 – Memorandum and Articles of Association</u>	
Clause 3.1: Alteration to Memorandum and Articles	As soon as practicable after the execution of the JVSA, the shareholders shall procure LCTWP to convene an EGM to amend the Memorandum and Articles of Association of LCTWP to conform with the provisions of the JVSA.
<u>Clause 5 – Transfer of Shares</u>	
Clause 5.1: Restriction in dealings with shares	<p>The shareholders shall not, directly or indirectly, sell, transfer, assign, mortgage, charge, encumber, dispose of or otherwise deal with their respective shareholding or part thereof in LCTWP except:</p> <p>(a) With the prior written consent of all of the other shareholders provided that any transferee shall enter into a deed or other suitable documentation agreeing to be bound by all the terms of the JVSA; or</p> <p>(b) In accordance with the provisions of Clause 6 (of the JVSA).</p>
<u>Clause 6 – Pre-Emption and Tag-Along Rights</u>	
Clause 6.1	<p>The right of the shareholders to sell, transfer, assign or otherwise dispose of their respective shareholding in LCTWP shall be subject to the restrictions and provisions set out below:</p> <p>(a) Where a shareholder intends to sell transfer, assign or otherwise dispose its shares in LCTWP (“Outgoing Shareholder”), it shall give a notice in writing (“Transfer Notice”) of its intention to offer its shares in LCTWP for the time being (“Relevant Shares”), to the other shareholder (“Remaining Shareholder”) at the amount equivalent to fifty per cent (50%) of the amount which is based on (i) the appraised value of the Land on a best use basis and (ii) the NTA value of other assets of LCTWP, as determined by the approved independent accountant unless agreed otherwise by the parties of the JVSA (“Selling Price”). For avoidance of doubt, no Transfer Notice shall be deemed validly given unless a minimum of five (5) years from the date of the JVSA has lapsed.</p> <p>(b) Upon receipt of the Transfer Notice from the Outgoing Shareholder, the shareholders shall appoint an approved independent accountant and independent land valuer within seven (7) days from the date of receipt of the Transfer Notice from the Outgoing Shareholder for the purpose of determining the fair value. The approved independent accountant shall determine the fair value based on a special audit of the latest management accounts of LCTWP as at the date of the Transfer Notice and the appraised market value of the Land on a best use basis as at the date of the Transfer Notice as set out in the land valuation report prepared by the independent land valuer. The independent land valuer shall issue its land valuation reports to the parties of the JVSA and the approved independent accountant within forty (40) days from the date of the Transfer Notice. The special audit shall be completed within sixty (60) days from the date of the Transfer Notice and the approved independent accountant shall inform the parties of the JVSA of the fair value in writing within fourteen (14) days from the date of completion of the said special audit. The costs of appointing the approved independent accountant and independent land valuer shall be borne by the Outgoing Shareholder. The certification by the approved independent accountant of the fair value and by the independent land valuer of the appraised market value of the Land shall be final and conclusive save for any manifest error and shall be binding upon the parties of the JVSA.</p>

SALIENT TERMS OF THE JVSA (Cont'd)

	<p>(c) The Remaining Shareholder shall have a period of thirty (30) days ("Option Period"), from the date the Selling Price is made known by the approved independent accountant in writing, to exercise the right to purchase the Relevant Shares. Such offer shall be open for acceptance at any time within the Option Period.</p> <p>(d) In the event the Remaining Shareholder does not accept the offer within the Option Period, the Outgoing Shareholder is entitled to sell the Relevant Shares to a third party approved of in writing by the Remaining Shareholder, whose approval shall not be unreasonably withheld ("Third Party") PROVIDED THAT:</p> <p>(i) the price for the Relevant Shares shall not be less than the Selling Price and the sale shall not be on terms and conditions (if any) which are more favourable than those offered to the Remaining Shareholder;</p> <p>(ii) the Third Party is not involved in business which is directly or indirectly in competition with the business or is primarily involved in a similar industry as the business unless the Outgoing Shareholder has obtained prior written approval of the Remaining Shareholder;</p> <p>(iii) the Outgoing Shareholder shall prior to the sale thereof cause and procure the Third Party to make an offer to purchase all the shares in LCTWP held by the Remaining Shareholder at the same price as agreed between the Third Party and the Outgoing Shareholder which shall not be less than the Selling Price (such offer to be open for acceptance by the Remaining Shareholder for a period of thirty (3) days); and</p> <p>(iv) in the event that the Remaining Shareholder declines the offer made by the Third Party or allows the said offer to lapse by effluxion of time, the Outgoing Shareholder shall cause and procure the Third Party to agree to be bound by the terms of the JVSA and to enter into a legally binding agreement containing the same terms as contained in the JVSA and/or such terms as may be required by the Remaining Shareholder to ensure the same.</p> <p>For the avoidance of any doubt, where the Outgoing Shareholder is not able to identify a Third Party to accept the offer to purchase the Relevant Shares in accordance with the provisions of Clause 6.1(d) of the JVSA within thirty (30) days from the expiry of the Option Period (or such other extended period as decided by the board of directors of LCTWP), the Outgoing Shareholder will have to recommence the offer and sale procedure in Clause 6.1(a) to (d) of the JVSA in order to sell the Relevant Shares.</p> <p>(e) Completion of the sale and purchase of the Relevant Shares, subject to all relevant regulatory approvals, consents and permits having been obtained, shall take place within thirty (30) days after the date of acceptance of the offer of the Relevant Shares by the Remaining Shareholder or the Third Party, as the case may be.</p> <p>(f) In the event of any transfer by the Outgoing Shareholder of the Relevant Shares to the Remaining Shareholder or the Third Party pursuant to the foregoing provisions of the Clause 6.1 of the JVSA, each shareholder shall, subject to the provisions of Clause 6.1 of the JVSA:</p> <p>(i) cause and procure their respective nominees on the board of directors of LCTWP to approve the proposed transfer; and</p>
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SALIENT TERMS OF THE JVSA (Cont'd)

	<p>(ii) cause and procure that upon such transfer any directors appointed to the board of directors of LCTWP by the Outgoing Shareholder pursuant to the JVSA shall thereupon resign.</p> <p>(g) Any transfer, disposal or sale of the Relevant Shares contemplated by Clause 6.1(d) of the JVSA to a Third Party shall be subject to such Third Party entering into a deed or other suitable documentation agreeing to be bound by all the terms of the JVSA.</p>
Clause 6.2	The right of a Remaining Shareholder to purchase the Relevant Shares under the provisions of the JVSA shall include the right to nominate a third party acting as its nominee/trustee to purchase the Relevant Shares.
Clause 6.3	<p>The shareholders expressly agree that the Outgoing Shareholder which sells the Relevant Shares under Clause 6.1 of the JVSA shall be required to also sell and transfer all its RNCPS and RCPS, to the Remaining Shareholder together with the Relevant Shares subject to the following pricing:</p> <p>(i) the price of the RNCPS is taken into account in the determination of the fair value, and has been included in the Selling Price; and</p> <p>(ii) the price of the RCPS shall be the RCPS Subscription Price plus any accumulated and accrued RCPS Dividend.</p>
<u>Clause 9 – Development Committee</u>	
Clause 9.1: General	<p>The board of directors of LCTWP shall establish a development committee to assist with the development, management and implementation of the Proposed Development. The development committee shall consist of four (4) members of whom:</p> <p>(a) Two (2) shall be nominated and appointed by KHPL; and</p> <p>(b) Two (2) shall be nominated and appointed by TWPSB.</p>
Clause 9.4(b) & (c): Meetings	<p>(b) All resolutions or decisions of the development committee made at any meeting or adjourned meeting shall be by a simple majority of members of the development committee which comprises at least one (1) member appointed by each of KHPL and TWPSB respectively, present and capable of voting at the development committee meeting.</p> <p>(c) In the event that a development committee meeting cannot be convened due to the absence of the requisite quorum after three (3) successive attempts or a simple majority cannot be reached for a resolution or a decision of the development committee in accordance with Clause 9.4(b), the matter shall be referred to the board of directors of LCTWP for a resolution on the same.</p>
Clause 9.5: Circular resolution	A written resolution of a decision made by the development committee which is signed by simple majority of the members which comprises at least one (1) member appointed by each of KHPL and TWPSB respectively shall be as valid and effectual as if it has been passed at a duly convened development committee meeting. Any such written resolution may consist of several documents (or facsimiles thereof) in like form or in one or more counterparts, each signed by one or more of the members and all counterparts taken together shall constitute one (1) document.

SALIENT TERMS OF THE JVSA (Cont'd)

Clause 9.6(b): Powers of the development committee	(b) Notwithstanding any other provisions in the JVSA, the development committee is required to obtain the approval from the board of directors of LCTWP for any development expenditure where the individual value is in excess of Ringgit Malaysia Ten Million (RM10,000,000.00)
<u>Clause 10 – Shareholders’ Meeting</u>	
Clause 10.3(a): Validity of shareholders’ resolution	(a) No resolution of the shareholders shall be passed at any meeting or adjourned meeting or action taken by LCTWP and no resolution shall be effective in respect of any matter unless such resolution of the shareholders was passed by shareholders voting in person, by corporate representatives or by proxy unanimously.
<u>Clause 11 – Reserved Matters</u>	
Clause 11.1	Notwithstanding any other provisions in the JVSA, the matters set out in Schedule 1 (of the JVSA) are matters in relation to LCTWP requiring the unanimous approval from both KHPL and TWPSB (irrespective whether such matters are to be decided at any board meeting, general meeting of shareholders or otherwise and irrespective of whether a majority vote has been passed.)
<u>Clause 12 – Funding</u>	
Clause 12.1	The shareholders agree that the development costs of the Proposed Development shall not exceed Ringgit Malaysia Five Hundred Million (RM500,000,000.00), which shall be funded by a combination of funds from the shareholders not exceeding Ringgit Malaysia One Hundred Million (RM100,000,000.00) each respectively and bank borrowings or financing from banks or financial institutions not exceeding Ringgit Malaysia Three Hundred Million (RM300,000,000.00)
Clause 12.3	The shareholders agree that the capital expenditure and working capital requirements of LCTWP shall subject to Clause 12.1 above and as far as practicable be funded from borrowings from banks or financial institutions without recourse to or guarantee from any of the shareholders. In the event the shareholders are required to provide security or guarantee to the banks or financial institutions, it shall be provided upon such terms acceptable to the shareholders in the agreed proportion (of the JVSA).
Clause 12.4	Subject to Clauses 12.5 and 12.8, where borrowings from banks or financial institutions cannot be obtained, the Joint Venture Parties shall contribute towards such capital expenditure and working capital requirements by subscribing in cash for such number of RNCPS at the RNCPS Subscription Price in the Agreed Proportion or RCPS at the RCPS Subscription Price (as the case may be).

SALIENT TERMS OF THE JVSA (Cont'd)

Clause 12.5	LCTWP shall issue a subscription notice ("RNCPS Subscription Notice") to each of the Joint Venture Parties from time to time in order for the Joint Venture Parties to subscribe in cash for such number of RNCPS at the RNCPS Subscription Price to meet the capital expenditure and working capital requirements. Upon full payment of the subscription monies as specified in the RNCPS Subscription Notice by each of the Joint Venture Parties and the allotment and issuance of the relevant number of RNCPS to each of the Joint Venture Parties, the relevant subscription shall be completed. For avoidance of doubt, LCTWP shall not issue any RNCPS Subscription Notice to the Joint Venture Parties unless the conversion of the usage of the Land from industrial to commercial as referred in Clause 17.3(b) has been approved or the Joint Venture Parties otherwise agree in writing.
Clause 12.7	For the avoidance of doubt, a particular subscription of RNCPS must be subscribed by both KHPL and TWPSB in the Agreed Proportion. If one party does not subscribe to the RNCPS, LCTWP shall not issue a particular subscription of RNCPS at all. In such event, the subscription monies received from the other Joint Venture Party that subscribed for such RNCPS shall be treated as monies to subscribe for RCPS instead (" RCPS Shareholder ").
Clause 12.8	If the RNCPS re not issued pursuant to Clause 12.7, LCTWP shall issue a subscription notice (" RCPS Subscription Notice ") to the RCPS Shareholder in order for the RCPS Shareholder to subscribe in cash for such number of RCPS at the RCPS Subscription Price to meet the capital expenditure and working capital requirements. Upon full payment of the subscription monies as specified in the RCPS Subscription Notice by the RCPS Shareholder and the allotment and issuance of the relevant number of RCPS to the RCPS Shareholder, the relevant subscription shall be completed.
<u>Clause 17 – Obligations of the Parties</u>	
Clause 17.1 – Obligations of KHPL	(a) KHPL (and/or its nominee) shall provide property development and consultation on all matters leading to formal application for planning permission.
Clause 17.2 – Obligations of TWPSB	(a) TWPSB shall concurrently with the execution of the JVSA enter into the SPA with LCTWP to sell the land in accordance with the terms and conditions of the SPA.
Clause 17.3(c) – Obligations of LCTWP	(c) LCTWP shall do all things necessary (including dealing with the relevant governmental authorities in Malaysia) to procure that approvals for enhancement on the land are obtained within a reasonable time, in particular the approval for the conversion which is targeted for 31 December 2017 but subject to any other date may be mutually agreed upon by the parties in writing; and further shall respond to or clear the correspondence or other dealings with the relevant government authorities in Malaysia if such become necessary for the purpose of obtaining the approvals for enhancement on the land.

SALIENT TERMS OF THE JVSA (Cont'd)

Clause 19 – Duration and Termination of Agreement	
Clause 19.1: Duration	<p>The JVSA shall come into force on the date of signing by the shareholders and shall continue in force until the earlier of:</p> <ul style="list-style-type: none"> (a) The winding up of LCTWP; or (b) The termination of the JVSA by mutual consent of the shareholders. <p>Termination of the JVSA for any cause in accordance with the JVSA shall not release any shareholder from any liability which at the time of termination has already accrued to the other shareholder(s) or which may thereafter accrue in respect of any act or omission prior to such termination.</p>
Clause 19.2: Termination by default	<p>If a shareholder (“Defaulting Party”)</p> <ul style="list-style-type: none"> (a) Commits any breach of its material obligations under the JVSA and if such breach is remediable, fails to remedy such breach within thirty (30) days from the service of any written notice by any of the other shareholders complaining of such breach; (b) Becomes insolvent or unable to pay its debts; (c) Goes into liquidation otherwise than for the purpose of reconstruction or amalgamation; (d) Enters into any composition or arrangement with its creditors; or (e) Shall have a receiver appointed over the whole or any material part of its assets or cease or threaten to cease to carry on the whole or any substantial part of its business other than in the course of reconstruction or amalgamation, <p>(“Event of Default”) then and in any such event, the other shareholder (“Non-Defaulting Party”) shall, without prejudice to any other rights and remedies as it may have, be entitled (but not obligated) to purchase from the Defaulting Party, who shall be deemed to have offered to sell and transfer all the shares, RNCPS and RCPS then registered in the name of the Defaulting Party by serving written notice to the Defaulting Party specifying the Event of Default (“default Notice”) and subject to the following pricing:</p> <ul style="list-style-type: none"> (i) The price of the shares shall be the proportioned fair value (as defined in JVSA) less twenty per centum (20%) (“Default Selling Price”); (ii) The price of the RNCPS is taken into account in the determination of the fair value (as defined in JVSA), and has been included in the Default Selling Price; and (iii) The price of the RCPS shall be RCPS subscription price (as defined in JVSA) plus any accumulated and accrued RCPS dividend less twenty per centum (20%).

SALIENT TERMS OF THE JVSA (Cont'd)

Clause 19.4	In the event the Non-Defaulting Party does not wish to purchase the Subscription Shares held by the Defaulting Party, then the Non-Defaulting Party may require the Defaulting Party to transfer its Subscription Securities to a third party (nominated by the Non-Defaulting Party) subject to the pricing as provided under Clause 19.2 of the JVSA, provided that the third party agrees to be bound by the terms of the JVSA and enter into a legally binding agreement containing the same terms as contained herein and/or such terms as may be required by the Non-Defaulting Party to ensure the same.
Clause 19.6	Upon completion of the sale and transfer of the said shares, RNCPS and RCPS, the JVSA shall be deemed to be terminated with respect to the Defaulting Party, subject to the provisions of the JVSA which are expressed, intended or necessarily implied to survive its termination, and neither the Defaulting Party nor the Non-Defaulting Party shall have any claims against the other save for antecedent breaches.
Clause 19.7	<p>Upon occurrences of an Event of Default, but pending the completion of the sale and transfer of the said Subscription Securities pursuant to Clauses 19.2 and 19.4 (of the JVSA), as the case may be:</p> <p>(a) The Non-Defaulting Party shall have the right to make all management decisions for LCTWP without the consent and approval of the Defaulting Party; and</p> <p>(b) The Defaulting Party shall continue to be obligated to comply with its obligations under the JVSA.</p>
<u>Clause 21 – Nature of Agreement</u>	
Clause 21.4 – Successors and assigns	The JVSA shall be binding upon and inure for the benefit of the respective heirs, personal representatives, permitted assigns and successors-in-title of the shareholders.
Clause 21.5 (a) & (b) – Assignment	<p>(a) Subject to Clause 21.5(b) below, the shareholders shall not assign or transfer all or any part of their respective rights under the JVSA or delegate their performance under the JVSA without the prior written approval of the other shareholder and any assignment, transfer or delegation which is made without such prior written approval shall constitute a breach of the JVSA.</p> <p>(b) The shareholders agree that a shareholder is entitled to assign or transfer all or any part of their respective rights under the JVSA or delegate their performance under the JVSA if the assignment or transfer is made to a wholly-owned subsidiary of the assigning shareholder, and the assigning shareholder continues to be liable for the performance of all obligations under the JVSA.</p>

TERMS OF THE RNCPS

The terms of the RNCPS to be issued are set out as follows:

- Issuer : LCTWP
- Subscribers : The shareholders of LCTWP meaning the Joint Venture Parties.
- RNCPS subscription price : Each RNCPS shall have a subscription price of RM1.00.
- Form and denomination : The RNCPS is to be issued in registered form and constituted by the Constitution of LCTWP.
- Ranking : The RNCPS shall rank *pari passu* among themselves.
- Transferability : Unless otherwise stated in the JVSA and the Constitution of LCTWP, the RNCPS shall not be transferable.
- Dividend : The right to receive a non-cumulative fixed preferential dividend at the rate of 10% per annum based on the value of RM1.00 (“**RNCPS Dividend**”) on the capital for the time being paid up or credited as paid up thereon to the extent that there are profits available for distribution on the last day of each financial year after the payment of the dividend payable to the holders of the RCPS but in priority to any dividend payable to holders of the shares of LCTWP.
- Any declaration or payment of the RNCPS Dividend shall only be made in accordance to Section 131 of the Act, and only after the Board has declared the RNCPS Dividend.
- Liquidation preference : Upon any winding-up, liquidation or any return of capital of LCTWP, after the payment of capital and all monies due (including, without limitation, the par value and premium) over any payment to the holders of shares in the capital of LCTWP. The RNCPS shall not be entitled to participate in the surplus assets and profits of LCTWP.
- Voting rights : A holder of RNCPS shall have the right to receive notice of and to attend general meetings of LCTWP and shall have the right on a poll at any general meeting of LCTWP to one (1) vote for each RNCPS held by it only if the business of the meeting includes the consideration for varying or abrogating any of the rights and privileges attached to the RNCPS but shall otherwise have no right to vote at general meetings of LCTWP.
- So long as any RNCPS remains in issue, LCTWP will send each holder of RNCPS, by way of information, one (1) copy of every notice or other document sent to any other shareholders in LCTWP in their capacity as shareholders, at the same time as it is sent to such shareholders.
- Conversion : The RNCPS shall not be converted to ordinary shares of LCTWP at any time during the subsistence of the JVSA.
- Redemption value/ redemption price : The redemption amount for redemption per RNCPS redeemed shall be RM1.00.

TERMS OF THE RNCPS (Cont'd)

Redemption : The RNCPS shall, at LCTWP's option, be redeemed by notice in writing to each and every holder of the RNCPS to redeem such number of RNCPS proportionately between all holders of RNCPS in accordance with their respective shareholding percentage ("**RNCPS Redemption Notice**") in accordance with the Constitution of LCTWP at any time.

LCTWP may at any time give the RNCPS Redemption Notice to the holders of RNCPS who shall within seven (7) days of the RNCPS Redemption Notice surrender the certificates of the relevant RNCPS in exchange for payment in cash (by way of cashier's order or any other manner acceptable to the holder) by LCTWP of the aggregate redemption price payable for those RNCPS.

The redemption of RNCPS is also subject to compliance with the requirements of Section 72 of the Act, all RNCPS shall be fully redeemable at the option of LCTWP after the redemption of RCPS at the RNCPS redemption price.

LCTWP shall use its reasonable endeavours to ensure that it has sufficient funds (whether through profits or a new issue of shares or otherwise), which can be lawfully applied towards redemption of the RNCPS at the relevant time.

No RNCPS redeemed by LCTWP shall be capable of reissue.

Protective Provisions : The prior consent of the holders of the RNCPS shall also be required for any proposals by LCTWP which relates to, or involves, any of the following:

- a) the issue by LCTWP of any other preference shares or any type of convertible debt/equity instruments ranking *pari passu* or in priority to the RNCPS save and except for the RCPS;
- b) any increase in the number of RNCPS to be issued by LCTWP; and
- c) anything which results or gives rise to a capital reduction by LCTWP.

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TERMS OF THE RCPS

The terms of the RCPS to be issued are set out as follows:

- Issuer : LCTWP
- Subscribers : The shareholders of LCTWP meaning the Joint Venture Parties.
- RCPS subscription price : Each RCPS shall have a subscription price of RM1.00
- Form and denomination : The RCPS is to be issued in registered form and constituted by the Constitution of LCTWP.
- Ranking : The RCPS shall rank *pari passu* among themselves.
- Transferability : Unless otherwise stated in the JVSA and the Constitution of LCTWP, the RCPS shall not be transferable.
- Dividend : The right to receive a cumulative fixed preferential dividend at the rate of 12% per annum based on the value of RM1.00 ("**RCPS Dividend**") on the capital for the time being paid up or credited as paid up thereon to the extent that there are profits available for distribution on the last day of each financial year in priority to any dividend payable to holders of the RNCPS and LCTWP shares.
- Any declaration or payment of the RCPS Dividend shall only be made in accordance to Section 131 of the Act, and only after the Board has declared the RCPS Dividend.
- Liquidation preference : Upon any winding-up, liquidation or any return of capital of LCTWP, the holders of RCPS shall have priority in the repayment of capital and all monies due (including, without limitation, the par value and premium) over any payment to the holder of RNCPS and shares and all other shares in the capital of LCTWP. The RCPS shall not be entitled to participate in the surplus assets and profits of LCTWP.
- Voting rights : A holder of RCPS shall have the right to receive notice of and to attend general meetings of LCTWP and shall have the right on a poll at any general meeting of LCTWP to one (1) vote for each RCPS held by it only if the business of the meeting includes the consideration for varying or abrogating any of the rights and privileges attached to the RCPS but shall otherwise have no right to vote at general meetings of LCTWP.
- So long as any RCPS remains in issue, LCTWP will send each holder of RCPS, by way of information, one (1) copy of every notice or other document sent to any other shareholders in LCTWP in their capacity as shareholders, at the same time as it is sent to such shareholders.
- Conversion : The RCPS shall not be converted to ordinary shares of LCTWP at any time during the subsistence of this JVSA.
- Redemption value / redemption price : The redemption amount for redemption per RCPS redeemed shall be RM1.00.

TERMS OF THE RCPS

Redemption : The RCPS shall, at LCTWP's option, be redeemed by notice in writing to each and every holder of the RCPS to redeem such number of RCPS proportionately between all holders of RCPS in accordance with their respective shareholding percentage ("**RCPS Redemption Notice**") in accordance with the Constitution at any time.

LCTWP may at any time give the RCPS Redemption Notice to the holders of RCPS who shall within seven (7) days of the RCPS Redemption Notice surrender the certificates of the relevant RCPS in exchange for payment in cash (by way of cashier's order or any other manner acceptable to the holder) by LCTWP of the aggregate redemption price payable for those RCPS.

The redemption of RCPS is also subject to compliance with the requirements of Section 72 of the Act, all RCPS shall be fully redeemable at the option of LCTWP prior to the redemption of any RNCPS, at the RCPS redemption price.

LCTWP shall use its reasonable endeavours to ensure that it has sufficient funds (whether through profits or a new issue of shares or otherwise), which can be lawfully applied towards redemption of the RCPS at the relevant time.

No RCPS redeemed by LCTWP shall be capable of reissue.

Protective provisions : The prior consent to the holders of the RCPS shall also be required for any proposals by LCTWP which relates to, or involves, any of the following:

- (a) the issue by LCTWP of any other preference shares or any type of convertible debt/equity instruments ranking *pari passu* or in priority to the RCPS;
- (b) any increase in the number of RCPS to be issued by LCTWP; and
- (c) anything which results or gives rise to a capital reduction by LCTWP.

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INFORMATION ON LCTWP

1. BACKGROUND INFORMATION

LCTWP (Company No: 1179139-K) was incorporated as Sterling Model Sdn Bhd before changing its name to LCTWP on 12 July 2016. It is a private limited company incorporated in Malaysia on 11 March 2016. The intended principal activity of LCTWP is property development and property investment. LCTWP was set up to undertake the Proposed Development by the Joint Venture Parties.

2. SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDERS

As at the LPD, the issued share capital of LCTWP is RM12,000,000 comprising 10,000,000 ordinary shares (“**LCTWP Shares(s)**”) and 2,000,000 RNCPS.

The shareholders of LCTWP are TWPSB and KHPL owning 5,000,000 LCTWP Shares and 1,000,000 RNCPS each, representing 50:50 ownership. LCTWP is effectively a jointly controlled entity of the Company.

3. DIRECTORS

The details of the directors of LCTWP as at the LPD are set out below:

Name	Nationality
Yen Wen Hwa (Ngan Tzee Manh)	Singaporean
Lum Kok Seng	Singaporean
Tony Fong	British
Cham Kooi Joo	Malaysian
Lee Chee Whye	Singaporean
Lam Hoi Khong	Malaysian
Adrian Lum Wen-Hong (Alternate Director to Lum Kok Seng)	Singaporean

As at the LPD, none of the directors of LCTWP hold any interest in LCTWP.

Some of the directors of LCTWP have experience in the property development industry. The profiles of the directors of LCTWP are as follows:

(a) Yen Wen Hwa (Ngan Tzee Manh)

He was appointed to the Board of the TWPH and elected as Executive Chairman on 16 February 2015. He had earlier served as the Chief Executive Officer (“**CEO**”) of the Company from 1 September 2010 to 31 December 2011.

He is the founder of NTIH Group and served as Managing Director and Chairman of the Board of NTIH until 30 September 2011 and re-appointed as Director and Non-Executive Chairman of NTIH on 1 September 2016. He also served as a Non-Independent Non-Executive Director of Shanghai Asia Holdings Ltd from 10 February 2004 to 1 May 2012.

Yen Wen Hwa was responsible for the overall business strategy and development of NTIH and its subsidiaries.

(b) Lum Kok Seng

Lum Kok Seng is the Managing Director of LCH. He has successfully led the expansion of the LCH and its subsidiaries’ (“**LCH Group**”) property development activities in Singapore and Malaysia. He is also actively spearheading the LCH Group in property investment projects in the United Kingdom.

INFORMATION ON LCTWP (Cont'd)

(c) Tony Fong

Tony Fong is the Executive Director of LCH appointed in July 2012. He joined LCH in 2004 as Group Financial Controller and Company Secretary and was promoted to Group Finance Director in September 2010. He oversees the financial management functions of the LCH Group and also contributes to its business development and strategic plans. In addition, he is responsible for ensuring that LCH complies with good corporate governance policies and practices.

Tony Fong is a member of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.

(d) Cham Kooi Joo

Cham Kooi Joo joined LCH in 2002 as General Manager. He currently serves as Managing Director of Fabulous Range Sdn Bhd and oversees the operations of LCH in Malaysia.

He holds a Master's degree in Construction Project Management and has more than 25 years of construction and property development experience.

(e) Adrian Lum Wen-Hong

Adrian Lum Wen-Hong joined LCH in 2006. He currently serves as Director, Property Development. He oversees the Property Division and is responsible for formulating business strategy and identifying investment opportunities, land and property development and potential joint ventures, and business acquisitions for LCH.

He holds a Master's degree in Engineering with First Class Honours from the Imperial College of London, United Kingdom, and was awarded the Governor's MEng Prize for academic excellence.

(f) Lee Chee Whye

Lee Chee Whye was appointed as the CEO of TWPH effective 1 August 2014 and appointed as the Executive Director to the Board on 1 September 2016. He 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 TWPH Group. Currently, he holds directorships in a few subsidiaries in TWPH Group and other non-listed companies.

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 until 1 August 2014. He was seconded to TWPH to serve as the CEO. 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.

INFORMATION ON LCTWP (Cont'd)

(g) Lam Hoi Khong

Lam Hoi Khong joined on 3 February 2017 as the Group Finance Director of TWPH and is responsible to spearhead the Finance and Risk Management functions of the TWPH Group. He provides the TWPH Group with the required strategic directions on the commercial and financial aspects of the business, and helps drive it to a higher level of success.

Lam Hoi Khong was previously attached to Petaling Tin Berhad (“PTB”) from June 2003 to January 2017. PTB is a property development company listed on the Main Market of Bursa Securities. He joined PTB as the General Manager of Finance and Administration before being promoted to assume the role of Chief Financial Officer from November 2007 to January 2017. He spent his early formative years at PricewaterhouseCoopers (formerly known as Coopers & Lybrand) and has more than 20 years of working experience in the areas of finance and accounting, corporate finance, auditing and taxation.

Lam Hoi Khong graduated with a Bachelor of Business degree majoring in Accountancy from the University of Southern Queensland, Toowoomba, Australia. He is a member of the Malaysian Institute of Accountants and the Certified Practising Accountant (CPA) Australia.

4. FINANCIAL INFORMATION

A summary of LCTWP’s financial highlights for the financial period ended (“FPE”) 31 December 2016 and FYE 31 December 2017 are as follows:

	Audited	Unaudited
	From 11 March 2016 to 31 December 2016 (RM'000)	FYE 31 December 2017 (RM'000)
Revenue	658	2,812
Loss before tax (“LBT”)	(546)	(1,607)
LAT	(546)	(1,618)
NA	9,454	9,836

From 11 March 2016 to 31 December 2016

For the FPE 31 December 2016, LCTWP’s revenue of RM657,560 comprised rental income from the investment property acquired from TWPSB during the period. LCTWP recorded a LBT of RM546,480 for the period mainly due to finance costs and depreciation expense related to the investment property.

LCTWP was incorporated during the period with a paid-up share capital of RM10,000,000 and for the FPE 31 December 2016, its NA stood at RM9,453,520.

FYE 31 December 2017

For the FYE 31 December 2017, LCTWP’s revenue of RM2,811,636 comprised rental income generated from its investment property. LCTWP recorded a LBT of RM1,607,359 mainly due to finance costs and depreciation expense related to its investment property.

There was issuance of RNCPS of RM2,000,000, subscribed by its shareholders during the financial year, and its NA as at 31 December 2017 stood at RM9,835,853.