

PROPOSED JOINT VENTURE WITH DONG NAI FOOD INDUSTRIAL CORPORATION, VIETNAM ("DOFICO")

TIEN WAH PRESS HOLDINGS BERHAD

Type	Reply to Query
Reply to Bursa Malaysia's Query Letter - Reference ID	IQL-27052015-00001
Subject	PROPOSED JOINT VENTURE WITH DONG NAI FOOD INDUSTRIAL CORPORATION, VIETNAM ("DOFICO")
Description	TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR "THE COMPANY") - PROPOSED JOINT VENTURE WITH DONG NAI FOOD INDUSTRIAL CORPORATION, VIETNAM ("PROPOSED JOINT VENTURE")
Query Letter Contents	<p>We refer to your Company's announcement dated 25 May 2015, in respect of the aforesaid matter.</p> <p>In this connection, kindly furnish Bursa Securities with the following additional information for public release:-</p> <ol style="list-style-type: none">1) The Consideration, the Net Assets and the Profit After Tax of TVP in Ringgit equivalent.2) The name of DOFICO's Directors and Substantial Shareholders, including their respective shareholdings.3) Whether there is a maximum timeline for payment of the Purchase Price by DOFICO.4) The Termination/Refund clause applicable in event of default/breach by any parties and the recourse available to the Company.5) The NTA value and the Valuation Date taken into consideration to set the Purchase Price.6) The basis and justification of the Purchase Price.7) The particulars of all liabilities to be assumed by DOFICO.8) The estimated timeframe to submit the application to Ho Chi Minh City Export Processing and Industrial Zones Authority in Vietnam for approval. <p>Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.</p>

Yours faithfully,
SUZALINA HARUN
Senior Vice President, Issuers
Listing Division, Regulation
/NM

Cc : Market Surveillance Dept. , Securities Commission (via fax)

5/28/2015

Company Announcements | Bursa Malaysia Market

(Unless otherwise stated, all definitions and terms used in this announcement shall have the same meaning as defined in the announcement dated 25 May 2015 in relation to the Proposed Joint Venture.)

The Board of Directors of the Company would like to respond to queries raised by Bursa Malaysia Berhad ("Bursa") in relation to the Proposed Joint Venture announcement released on 25 May 2015.

Please refer to the attachment for the response in relation to Bursa's queries.

This announcement is dated 28 May 2015.

Please refer attachment below.

Attachments

[TWPH - Announcement on Proposed Joint Venture \(Reply Query\).pdf](#)

153.3 kB

Company Name	TIEN WAH PRESS HOLDINGS BERHAD
Stock Name	TIENWAH
Date Announced	28 May 2015
Category	General Announcement for PLC
Reference Number	GA1-27052015-00107

Response to queries raised by Bursa Malaysia Berhad in relation to the Proposed Joint Venture Announcement on 25 May 2015

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

PROPOSED JOINT VENTURE WITH DONG NAI FOOD INDUSTRIAL CORPORATION, VIETNAM

(Unless otherwise stated, all definitions and terms used in this announcement shall have the same meaning as defined in the announcement dated 25 May 2015 in relation to the Proposed Joint Venture.)

The Board of Directors of the Company would like to respond to queries raised by Bursa Malaysia Berhad (“Bursa”) in relation to the Proposed Joint Venture announcement released on 25 May 2015.

Bursa requested that the Company to furnish further details on the following matters :

1. The Consideration, the Net Assets and the Profit After Tax of TVP in Ringgit equivalent

Based on the latest Audited Financial Statements of TVP for the FYE 31 December 2014, the NA and the PAT of TVP were USD5.513 million (equivalent to RM19.792 million) and USD823,000 (equivalent to RM2.955 million) respectively. The estimated Purchase Price for the sale of 50% of TVP to DOFICO is approximately USD1.686 million (equivalent to RM6.053 million). All USD currency have been converted to RM based on the 22 May 2015 at the exchange rate of USD1.00 : RM3.59.

2. The name of DOFICO’s Directors and Substantial Shareholders, including their respective shareholdings

The name of Directors (Board Members) and Substantial Shareholders of DOFICO together with their respective shareholdings are as follows:

Name of Directors of DOFICO

- (a) Mdm Nguyễn Thị Lệ Hồng – Chairperson & General Director
- (b) Mr Nguyen Tu Muc
- (c) Mr Nguyen Thanh Tam
- (d) Mr Phung Khoi Phuc
- (e) Mr Phung Van Nhi
- (f) Mr Pham Nam Hung
- (g) Mr Nguyen Huu Hieu
- (h) Mr Nguyen Kim Long

Name of Shareholder and Respective Shareholding

None of the above Directors have any shareholdings in DOFICO. The entire shareholding in DOFICO is solely held by the “Peoples Committee of Dong Nai Province”, a Vietnamese Government Agency.

3. Whether there is a maximum timeline for payment of the Purchase Price by DOFICO

There is no maximum timeline for the payment of the Purchase Price. The expected repayment will be from the future dividends of TVP.

4. The Termination/Refund clause applicable in event of default/breach by any parties and the resource available to the Company

4.1 Within thirty-six (36) calendar months as of the date of commencement, if (i) the profits received by DOFICO from the JV Company is less than 20% of the Purchase Price or (ii) the JV Company suffers a cumulative loss, DOFICO at its own discretion shall:

- (a) continue the Proposed Joint Venture Agreement (the “Agreement”) and extend the payment timeline for the Purchase Price until the profits received from the JV Company are sufficient for DOFICO to pay the Purchase Price to TWPH; or
- (b) have the right to sell TWPH the entire of its Sale Capital Contribution at the re-selling price being the remaining amount after the Purchase Price minuses outstanding payments for the Purchase Price that have not been paid by DOFICO to TWPH at the time of actual payment of re-selling price (the “Re-selling Price”). In this case, TWPH is obligated to re-purchase the Capital Contribution of DOFICO in whole; or
- (c) exercise the Put Option calling for TWPH to purchase its Sale Capital Contribution in whole at the Re-selling Price. TWPH commits to buy back the Capital Contribution of DOFICO in case DOFICO exercises its Put Option.

For clarity, in case of the Put Option, DOFICO shall have six (6) calendar months as of the ending of thirty-six (36) calendar months calculated from the date of commencement to exercise its Put Option on TWPH. After the period of six (6) months as mentioned above, DOFICO shall not be entitled to exercise its Put Option and the termination of the Agreement will be in accordance to the Article 19 as stipulated in the Agreement, details as set out below:-

4.2 The Agreement shall be terminated earlier than the expiry of the term of operation of TVP as specified in the Amended Investment Certificate or any extension thereof, upon written notice of any party to the other party, under the following circumstances:

- (a) By any party, if the other party materially breaches any of its obligations under the Agreement and does not take adequate measures to remedy such breach within sixty (60) days from the date of receipt of written notice for remedy from the non-breaching party;
- (b) In case of the Company or any party's bankruptcy, liquidation or dissolution, or suspension of operations or inability of paying any debts as they become due; or
- (c) The Members’ Council determines that the Company is unable to continue operating because of heavy losses, or any other reasons.

For the avoidance of doubt, the service of such written notice of termination is at the discretion of the party in question and no party is obliged to agree with the proposal of terminating the Agreement in the circumstances set out as above.

- 4.3 Notwithstanding the terms of Section 4.2 above, in the event that any of the circumstances set out in Section 4.2 above occurs and, in the case of the circumstances set out in Section 4.2(a) and/or (b) above, the breach or bankruptcy event (as applicable) relates to DOFICO, DOFICO shall not be permitted to terminate the Agreement and TWPH may, in its sole discretion, terminate the Agreement in accordance with Section 4.2 above or may request DOFICO to offer and transfer its entire Capital Contribution to TWPH in accordance with the negotiated price.
- 4.4 If the Agreement is terminated pursuant to Section 4.2 above, the Parties shall proceed to the dissolution of the JV Company in accordance with the regulations and procedures set forth in the Laws of Vietnam.
- 4.5 The termination of the Agreement for any reason shall not release or exempt any Party from its responsibilities, commitments or any obligations already incurred under the Agreement. In particular, any Party's obligation to pay any sum of money already due and payable to the other Party shall survive.

5. The NTA value and the Valuation Date taken into consideration to set the Purchase Price

The NTA value as at 31 December 2014 was USD5.513 million (equivalent to RM19.792 million) and the Valuation Date is targeted to be end of July 2015. The NTA value will be reduced with TVP declaring a dividend of its entire VAS (Vietnamese Accounting Standards) retained earnings up to the Valuation Date to reduce the NTA to an Adjusted NTA value of approximately USD3.372 million (equivalent to RM12.105 million). All USD currency have been converted to RM based on the 22 May 2015 at the exchange rate of USD1.00 : RM3.59.

6. The basis and justification of the Purchase Price

The basis and justification of the Purchase Price is based on the Adjusted NTA value after the declaration of TVP's entire VAS retained earnings up to Valuation Date. The Purchase Price also takes into consideration the value of the strategic relationship and long term profit contribution to the Group from the printed carton volumes to be provided by DOFICO.

7. The particulars of all liabilities to be assumed by DOFICO

There are no liabilities, including contingent liabilities and other guarantees to be assumed by DOFICO arising from the Proposed Joint Venture.

8. The estimated timeframe to submit the application to Ho Chi Minh City Export Processing and Industrial Zones Authority in Vietnam for approval

Submission to Ho Chi Minh Export Processing and Industrial Zones Authority, Vietnam is expected to be by end of July 2015.