

MEMORANDUM OF UNDERSTANDING TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR "THE COMPANY") - MEMORANDUM OF UNDERSTANDING BETWEEN TWPH AND LUM CHANG HOLDINGS LIMITED

TIEN WAH PRESS HOLDINGS BERHAD

Type	Announcement
Subject	MEMORANDUM OF UNDERSTANDING
Description	TIEN WAH PRESS HOLDINGS BERHAD ("TWPH" OR "THE COMPANY") - MEMORANDUM OF UNDERSTANDING BETWEEN TWPH AND LUM CHANG HOLDINGS LIMITED

The Board of Directors of TWPH wishes to announce that the Company had on 24 August 2015 entered into a Memorandum of Understanding ("MOU") with Lum Chang Holdings Limited 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 title no: 3674 and 3967, Lot 30 & 4 Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan, on land which is currently held by a subsidiary of TWPH on a 99-year lease from the State Government of Selangor, Malaysia, with a residue of approximately forty-four (44) years as of the date of this MOU.

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

This announcement is dated 24 August 2015.

Please refer attachment below.

Attachments

[TWPH - MOU with Lum Chang Holdings Limited.pdf](#)
130.7 kB

Announcement Info

Company Name	TIEN WAH PRESS HOLDINGS BERHAD
Stock Name	TIENWAH
Date Announced	24 Aug 2015
Category	General Announcement for PLC
Reference Number	GA1-24082015-00045

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

– MEMORANDUM OF UNDERSTANDING BETWEEN TWPH AND LUM CHANG HOLDINGS LIMITED

1. INTRODUCTION

The Board of Directors of TWPH wishes to announce that the Company had on 24 August 2015 entered into a Memorandum of Understanding (“MOU”) with 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 title no: 3674 and 3967, Lot 30 & 4 Section 13 Municipality of Petaling Jaya, Selangor Darul Ehsan, on land which is currently held by a subsidiary of TWPH on a 99-year lease from the State Government of Selangor, Malaysia (the “Land”), with a residue of approximately forty-four (44) years as of the date of this MOU (the “Development”).

(TWPH and LCH are collectively referred to as the “JV Parties”).

2. DETAILS OF LCH

LCH (UEN No. 198203949N), a company incorporated in Singapore and listed on the Singapore Stock Exchange with an issued and fully paid-up share capital of SGD86.6million.

LCH engages in construction, project management, property development, and investment activities in Singapore and internationally.

The Directors of LCH are Mr Raymond Lum Kwan Sung, Mr David Lum Kok Seng, Mr Kenneth G. R. Maclellan, Mr Tony Fong, Mr Daniel Soh Chung Hian, Mr Peter Sim Swee Yam and Dr Willie Lee Leng Ghee.

3. SALIENT TERMS OF THE MOU

The salient terms of the MOU, inter-alia, are as follows:-

- (a) The JV Parties will jointly negotiate the terms of the Development as a joint venture on the basis that the risks, rewards and funding are in equal proportion to the equity interest of the JV Parties.
- (b) The JV Parties will jointly work towards obtaining planning permission for the Development for the change of use of the Land from industrial to commercial, from the relevant governmental authorities in Malaysia (the “Planning Permission”).
- (c) At an appropriate time as determined by the JV Parties but in any event not later than receipt of the Planning Permission, TWPH and LCH will jointly incorporate a

development company to own, perform and manage the Development, of which TWPH holds 50% and LCH holds 50%.

- (d) LCH will provide property development and consultation services on all matters leading to the formal application for the Planning Permission (the “Preparatory Work”), including but not limited to redevelopment feasibility studies, financial feasibility studies, design and development work, and matters related thereto.
- (e) TWPH shall, upon the JV Parties determining that the Preparatory Work has been completed to their mutual satisfaction, submit the formal application for the Planning Permission, and do all things necessary to procure that Planning Permission is obtained within a reasonable time, at TWPH’s cost.
- (f) Subject to the Planning Permission having been obtained, the JV Parties may if deemed appropriate for the Development, apply to the State Government of Selangor to extend the lease of the Land to not less than ninety-nine (99) years.
- (g) It is intended that LCH (and/or its nominee) be appointed as project development manager for the Development to provide project management services, and undertakes the construction of the Development.
- (h) The MOU shall be effective from the date of the MOU. The MOU shall terminate on the earlier of the following:
 - At the expiry of thirty-six (36) months exclusivity period unless extended by the JV Parties (the “Exclusivity Period”);
 - If the Planning Permission is not obtained by the expiry of the Exclusivity Period unless the JV Parties agree otherwise in writing;
 - If the JV parties agree in writing to terminate this MOU; or
 - Upon a formal agreement having been entered into by the JV Parties.
- (i) The MOU is not legally binding other than the clauses on confidentiality, exclusivity and termination.

4. RATIONALE FOR THE MOU

The rationale for the MOU is aimed to maximise the usage of the land owned by TWPH and its subsidiaries (“TWPH Group”) with the long term intention of maximising shareholders’ value. It is also intended to deliver additional income stream for TWPH Group.

5. FINANCIAL EFFECTS OF THE MOU

The MOU will not have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholding of the Company for the financial year ending 31 December 2015.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM

None of the Directors and/or major shareholders of TWPH and/or persons connected to them have any interest, direct or indirect, in the MOU.

7. STATEMENT BY BOARD OF DIRECTORS

The Board of Directors of the Company, having taken into consideration all aspects of the above, is of the opinion that the MOU is in the best interest of TWPH Group.

This announcement is dated 24 August 2015.