LUM CHANG

Lum Chang Holdings Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 198203949N

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

1. INTRODUCTION

The Board of Directors of LCH wishes to announce that the Company had on 24 August 2015 entered into a Memorandum of Understanding ("**MOU**") with Tien Wah Press Holdings Berhad ("**TWPH**") 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 the MOU.

(TWPH and LCH are collectively referred to as the "**JV Parties**").

2. DETAILS OF TWPH

TWPH was incorporated in Malaysia on 15 April 1995 as a private limited company, was converted into a public company on 13 June 1995 and listed on the Main Board of Bursa Malaysia Securities Berhad with an issued and fully paid-up share capital of RM96.5 million. Its principal activity is that of investment holding while the activities of its subsidiaries and associate company are those of rotogravure printing, photolithography printing, trading and printing of tipping paper. New Toyo International Holdings Ltd is a company listed on the Singapore Stock Exchange and is the ultimate holding company of TWPH via its shareholdings in Tien Wah Holdings (1990) Sdn Bhd and Singapore Pacific Investments Pte Ltd.

The Directors of TWPH are Mr Yen Wen Hwa, Mej Jen (B) Datuk Abdul Kadir bin Nordin, Ms Angela Heng Chor Kiang, Mr David Lim Teck Leong, Datuk Toh Ah Wah, and Mr Lee Cheow Fui.

3. SALIENT TERMS OF THE MOU

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

1 The JV Parties agree to explore a joint venture to develop the Land, which is currently zoned for industrial use.

2 Under the terms of the MOU, the Parties will apply to the relevant authorities in Malaysia for change of use of the Land to commercial use (the "**Planning Permission**"), which will then be developed into a mixed-use commercial development (the "**Development**"). The JV Parties may if deemed appropriate apply to extend the lease of the Land to not less than ninety-nine (99) years.

3 LCH will provide property development and consultation services on all matters leading to the application for the Planning Permission.

4 The Development will be subject to satisfactory due diligence and further financial feasibility study. If the JV Parties proceed with the Development, a development company will be jointly incorporated at an appropriate time to own, manage and perform the Development. The development company will be owned by LCH and TWPH in equal shares.

5 LCH and TWPH have agreed an exclusivity period of 36 months from the date of the MOU. In addition, both parties have agreed to maintain confidentiality of the MOU and any discussions pertaining to the Development during the exclusivity period, as any public disclosures would have an adverse impact on the negotiating position of the JV Parties.

6 The MOU may be terminated on the occurrence of any of the following occurrences:

a) At the expiry of thirty-six (36) months' exclusivity period unless extended by the JV Parties;
b) If the Planning Permission is not obtained by the expiry of the said exclusivity period unless the JV Parties agree otherwise in writing;
c) On the mutual agreement of the JV Parties; or
d) Upon a formal joint venture agreement being entered into by the JV Parties.

7 The MOU is not legally binding other than the clauses on confidentiality, exclusivity and termination.

4. RATIONALE FOR THE MOU

The Board believes that, subject to satisfactory due diligence and further financial feasibility study, the Development could represent a prime investment opportunity to expand the LCH Group's property and development portfolio in Malaysia. The long exclusivity period of thirty-six (36) months and the non-binding nature of the MOU will permit the Company to closely review its options and decide on the best course of action, which best benefit the Company and the LCH 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 30 June 2016.

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

Save as disclosed above, none of the directors and/or controlling shareholders of the Company have any interest, direct or indirect, in the MOU (other than via the Company).

BY ORDER OF THE BOARD

Tony Fong
Company Secretary
25 August 2015

Submitted by Tony Fong, Company Secretary on 25 August 2015.