



General Announcement

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Ownership transfer to CS_SECURITIES SERVICES HOLDINGS PENANG/EDMS/KLSE on
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Submitting Investment

Bank/Advisor
(if applicable)

Submitting Secretarial Firm Securities Services (Holdings) Sdn Bhd
(if applicable)

Company name * NTPM HOLDINGS BERHAD

Stock name * NTPM

Stock code * 5066

Contact person * Thum Sook Fun

Designation * Company Secretary

Type *

Announcement Reply to query

Subject *

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)

NON RELATED PARTY TRANSACTIONS

Description :-*

(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

NTPM HOLDINGS BERHAD ("NTHB" or "the Company")

- Proposed Acquisition of Assets by a subsidiary

Announcement Details/Table Section :-

(This field is for the details of the announcement, if applicable)

The Board of Directors of NTHB wishes to announce that a wholly-owned subsidiary of the Company, NTPM Paper Mill (Bentong) Sdn Bhd had on 5 July 2011 entered into two (2) Conditional Sale and Purchase Agreements with Union Paper Industries Sdn Bhd (Company No. 006722-M) ("Agreements") to acquire the assets from UPI at a total cash consideration of Ringgit Malaysia Twenty Million (RM20,000,000) only upon the terms and conditions as stipulated in the Agreements ("Proposed Acquisition").

Please refer to the attachment for the details of the Proposed Acquisition.

This announcement is dated 6 July 2011.

Attachment(s):- (please attach the attachments here)



NTHB-Acquisition of assets by a subsidiary.pdf

NTPM HOLDINGS BERHAD ("NTHB" or "the Company")
- Proposed Acquisition of Assets by a subsidiary

1. INTRODUCTION

The Board of Directors of NTHB wishes to announce that a wholly-owned subsidiary of the Company, NTPM Paper Mill (Bentong) Sdn Bhd ("**NTPM Bentong**" or the "**Purchaser**") had on 5 July 2011 entered into the following two (2) Conditional Sale and Purchase Agreements (hereinafter collectively referred to as the "**Agreements**") with Union Paper Industries Sdn Bhd ("**UPI**" or the "**Vendor**") (Company No. 006722-M) to acquire the assets as prescribed under Section 4 (hereinafter referred to as "**Assets**") from UPI at a total cash consideration of Ringgit Malaysia Twenty Million (RM20,000,000) only ("**Consideration**") upon the terms and conditions as stipulated in the Agreements (hereinafter referred to as "**Proposed Acquisition**"):-

- i) Agreement for the acquisition of the Properties, all located at Mukim and District of Bentong, State of Pahang, bearing postal address of Lot 65, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang Darul Makmur ("**Property**") free from all encumbrances but otherwise subject to all conditions and restrictions whether expressed or implied contained in the document of title to the said Property with vacant possession together with the Trademark as prescribed under Section 4 below for a total consideration of RM12.5 million (hereinafter referred to as "**SPA I**"); and
- ii) Agreement for the acquisition of the machineries, equipment and chattels erected on the abovementioned Property ("**Machineries**") for a total consideration of RM7.5 million (hereinafter referred to as "**SPA II**").

2. INFORMATION ON NTPM BENTONG

- 2.1 NTPM Bentong was incorporated on 10 May 2011 as a private company limited by shares under the Companies Act, 1965 ("the Act").
- 2.2 As at todate, NTPM Bentong's authorised share capital is RM1,000,000 comprising of 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 have been issued and are fully paid-up.
- 2.3 The principal activities of NTPM Bentong are manufacturing and trading of paper products.
- 2.4 The existing directors of NTPM Bentong are Mr. Lee See Jin and Mr. Lee Chong Choon. NTPM Bentong is a wholly-owned subsidiary of NTPM (Singapore) Pte. Ltd, which is in turn a wholly-owned subsidiary of NTHB.

3. INFORMATION OF UPI

- 3.1 UPI was incorporated on 18 July 1966 as a private company limited by shares under the Companies Act, 1965 ("the Act").
- 3.2 As at todate, UPI's authorised share capital is RM100,000,000.00 comprising of 100,000,000 ordinary shares of RM1.00 each, of which 75,000,000 ordinary shares of RM1.00 have been issued and are fully paid-up.
- 3.3 The existing shareholders of UPI are as follows:-

Shareholders	No. of Shares	%
Queeline Sdn Bhd	65,000,000	86.67
Klassy Industries Sdn Bhd	1,500,000	2.00
Pangkat Maju Sdn Bhd	800,000	1.06
Selectline Sdn Bhd	2,700,000	3.60
Pandaria Sdn Bhd	5,000,000	6.67
	<u>75,000,000</u>	<u>100.00</u>

- 3.4 The existing directors of UPI are as follows:-

- i) Liew Moey Fun;
- ii) Liew Moey Mooi;
- iii) Dato' Muhammad Feisol Bin Hassan;
- iv) Chan Khuen Kee;
- v) Lee Choon Mun; and
- vi) Lee Choon Sung.

- 3.5 The principal activities of UPI are manufacturing and trading of tissue and paper products.

4. DETAILS OF THE ASSETS TO BE ACQUIRED BY NTPM BENTONG

- 4.1 Pursuant to the Agreements, NTPM Bentong shall acquire the following Assets from UPI for a total consideration of RM20 million only:-

<u>Description of Assets</u>	<u>Consideration (RM)</u>
1. 66 years Leasehold lands ("Land") consist of the following:- (a) H.S.(D) No. 10962, PT 11712, Mukim and District of Bentong, State of Pahang , measuring in area of approximately 4,042.958 square metres only, of which its lease term will be expiring in 2059;	3,125,000.00

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|-----|--|--------------|
| (b) | H.S.(D) No. 10963, PT 11713, Mukim and District of Bentong, State of Pahang, measuring in area of approximately 3,294.716 square metres only, of which its lease term will be expiring in 2059 ; | 3,125,000.00 |
| (c) | H.S.(D) No. 4026, PT 4497, Mukim and District of Bentong, State of Pahang, measuring in area of approximately 12,941.67 square metres only, of which its lease term will be expiring in 2053; | 3,125,000.00 |
| (d) | H.S.(D) No. 4041, PT 4512, Mukim and District of Bentong, State of Pahang, measuring in area of approximately 23,164.35 square metres only, of which its lease term will be expiring in 2053; | 3,125,000.00 |

together with a Factory erected thereon and bearing postal address of Lot 65, Kawasan Perindustrian Bentong, 28700 Bentong, Pahang Darul Makmur; and
(collectively hereinafter referred to as the **“Property”**)

together with Trademark called **“KLASSY”** and unregistered trademark called **“PLUM BLOSSOM”** (collectively known as **“Trademark”**).

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|----|--|--------------|
| 2. | Machinery, equipment and chattels erected on the Property as prescribed in the SPA II (hereinafter referred to as the “Machineries”) | 7,500,000.00 |
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Total: 20,000,000.00

4.2 The details of the Property to be acquired by NTPM Bentong pursuant to SPA I for the Purchase Price of Ringgit Malaysia Twelve Million Five Hundred Thousand (RM12,500,000.00) only are as follows:-

- i) Description of Property
The total leasehold Land area is 43,443.694 square meters, while the Factory building's total floor area is 11,286 square meters.
- The Factory consists of a single storey detached office, single storey detached factory with two and a half storey detached factory with two and a half storey integral production floors, single storey detached factory cum canteen, single storey open sided warehouse, chemical store, Tenaga Nasional Berhad sub-station, gen-set room and pump house, waste water treatment plant and guard house.
- ii) Types of Property
Industrial land built upon with industrial buildings and ancillary structures.

- iii) Tenure of Property
The Leasehold lands tenure is 66 years, of which the terms of the lease for the respective lands have been disclosed under Section 4.1(1) above.

The age of Factory building is approximately 18 years.

- iv) Category of use
The Leasehold Land is for industrial use.

The Factory is currently used as factory by UPI and upon the completion of the Proposed Acquisition; the same will be used for the production of paper products by NTPM Bentong.

- v) Audited net book value of the Property and Valuation
The total net book value of the said leasehold Land and Factory based on the latest audited financial statements of UPI for the year ended 31 August 2010 amounted to RM1,414,692 and RM10,349,365 respectively.

No valuation has been conducted by independent professional valuer on the Property for the purpose of the above Proposed Acquisition.

- vi) Encumbrances
The Property is presently charged to United Overseas Bank (Malaysia) Bhd.

- 4.3 Subject to the due and simultaneous completion of the SPA I, NTPM Bentong has also agreed to purchase from the Vendor the Machineries free from encumbrances for the Purchase Price of Ringgit Malaysia Seven Million Five Hundred Thousand (RM7,500,000.00) only upon the terms and conditions as stipulated in SPA II.

- 4.4 The Property and the Machineries are to be purchased as "as is where is basis" for the Consideration and upon the terms and conditions in the Agreements.

5. PURCHASE CONSIDERATION AND FUNDING

The total Consideration for the Proposed Acquisition was arrived at on a willing buyer and willing seller basis and the Proposed Acquisition is financed through internally generated fund of NTHB Group.

6. KEY SALIENT TERMS OF THE AGREEMENTS

6.1 SPA I

- 6.1.1 UPI (with its wholly-owned subsidiary, Union Paper Trading (M) Sdn Bhd's consent for the sale of "Klassy") has agreed to sell and NTPM Bentong has agreed to purchase the Property together with the Trademark for a purchase price of Ringgit Malaysia Twelve Million Five Hundred Thousand (RM12,500,000.00) only (hereinafter referred to as the "Total Purchase Price I").

- 6.1.2 The Purchaser shall pay the Total Purchase Price I in the following manner:-
- 6.1.2.1 RM1,250,000.00 being deposit sum to be paid to the Vendor's Solicitors as stakeholder upon signing of the SPA I; and
- 6.1.2.2 RM11,250,000.00 being balance purchase price to be paid to the Vendor's Solicitors as stakeholder within two (2) months from the Unconditional Date I provided that the Purchaser's Solicitors shall have receipt of the redemption statement cum letter of undertaking from the Vendor's Financier prior to the expiry of the said two (2) months.
- 6.1.3 The sale and purchase of the Property is conditional upon the following approvals and consents being obtained by the parties as follows:-
- (i) the Vendor securing the written consent from YAB Menteri Besar Pahang for the sale and transfer of the Property from the Vendor in favour of the Purchaser (hereinafter referred to as the "State Authority's Consent"); and
 - (ii) the Purchaser obtaining the written approval from the Ministry of International Trade and Industry, Malaysia (hereinafter referred to as "MITI") (with or without conditions) for the transfer of the Manufacturing License issued by MITI for the purpose of operating a paper mill at the Factory to manufacture facial tissue paper, serviette paper and toilet tissue paper ("hereinafter referred to as "MITI's Approval").
- 6.1.4 All the Conditions Precedents stated in Para 6.1.3 hereof are to be fulfilled or satisfied within Nine (9) months from the date of the SPA I or such extended time as the parties hereto may mutually agree upon.
- 6.1.5 The date of the Purchaser's receipt of the last of the approval or consent referred to in Para 6.1.3 hereof shall be referred to as "the Unconditional Date I" provided that if the approvals and/or consents under Para 6.1.3 hereof are subject to any conditions that may be imposed on the Vendor and the Vendor agrees to accept such conditions, then the date of the Vendor's fulfillment of such conditions shall be referred to as "the Unconditional Date I".
- 6.1.6 The Vendor's Solicitors are authorized to release the Total Purchase Price I (less the redemption moneys and the Vendor's portion of outgoings) to the Vendor upon:-
- (i) confirmation that vacant possession of the Property has been delivered to the Purchaser after a joint inspection of the Property and the Machineries have taken place which joint inspection shall take place within three (3) days from the date of presentation of the Transfer of the Property in favour of the Purchaser for registration at the relevant Land office/Registry; OR
 - (ii) within Twenty one (21) days from the date of the Purchaser's Solicitors' receipt of the original issue document of title, the discharge of charge, the duplicate charge, the duplicate registered lease and such other documents required to effect registration of the Transfer in favour of the Purchaser.

6.2 SPA II

6.2.1 The Machineries are sold at the agreed purchase price of Ringgit Malaysia Seven Million Five Hundred Thousand (RM7,500,000.00) only (hereinafter referred to as the "Total Purchase Price II").

6.2.2 The Purchaser shall pay the Total Purchase Price II in the following manner:-

6.2.2.1 RM750,000.00 being deposit sum to be paid to the Vendor's Solicitors as stakeholder upon signing of the SPA II; and

6.2.2.2 RM6,750,000.00 being balance purchase price to be paid to the Vendor's Solicitors as stakeholder within seven (7) working days from the Unconditional Date II or simultaneously with the payment by the Purchaser to the Vendor's Solicitors as stakeholders of the Balance Purchase Price under the SPA I, whichever is later provided that the Purchaser's Solicitors has received the Vendor's Solicitors confirmation that the original registration certificates to the motor vehicles listed in the SPA II are in the possession of the Vendor's Solicitors.

6.2.3 The SPA II is expressly conditional upon the Purchaser and/or their representatives carrying out a due diligence review ("the Review") on the Machineries at the Purchaser's own costs and expense immediately after execution of the SPA II to verify and to ascertain the existence and ownership of the Machineries as represented by the Vendor, provided that the Vendor shall have made available to the Purchaser and/or to their representatives all relevant documents evidencing the Vendor's ownership to the Machineries.

6.2.4 The parties also agreed that the Review will be conducted on the Machineries with its purchase consideration at Ringgit Malaysia Five Hundred Thousand (RM500,000.00) and above and that the proof of purchase shall be limited to all the invoices and receipts for the past five (5) years only.

6.2.5 Upon completion of the Review within fourteen (14) working days from the date of the SPA II, the SPA II shall become unconditional and the date of completion of the Review shall be referred to as "the Unconditional Date II".

6.2.6 SPA II must be completed simultaneously and contemporaneously with the completion of the SPA I and in the event that SPA I is not completed for any reasons whatsoever or should the Vendor decide to terminate the SPA I in accordance with the clause of Termination of the SPA I, then the SPA II shall simultaneously and automatically terminate at the same time and all consequences of termination as described in the clause of Termination of the SPA II, mutatis mutandis, apply to the SPA II.

7. RATIONALE FOR THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition provides a good opportunity for NTHB to expand its production capacity as well as to setup its production at central region of Peninsular Malaysia as part of the Group's expansion plan.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

i) Share Capital and Substantial Shareholders' Shareholding

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of NTHB.

ii) Earnings

The Proposed Acquisition is not expected to have any material effect on NTHB's consolidated earnings per share for the financial year ending 30 April 2012.

However, the Proposed Acquisition is expected to have a positive effect on the future earnings of the Group.

iii) Net Assets per share

The Proposed Acquisition will not be any material impact on the Group's net assets per share for the year ending 30 April 2012.

iv) Gearing

There will not be any material impact on the Group's gearing arising from the Proposed Acquisition.

9. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Acquisition is 8.8% pursuant to paragraph 10.02(d) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, based on the latest available audited financial statements for the year ended 30 April 2010.

10. APPROVAL REQUIRED

Save for the above-mentioned conditions precedent of the Agreements in respect of the Proposed Acquisition, the Proposed Acquisition is not subject to the approval of the shareholders of NTHB and any relevant local government authorities.

11. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by fourth quarter of the financial year ending 30 April 2012.

12. DEPARTURE FROM GUIDELINES

The Securities Commission's approval is not applicable as the Proposed Acquisition is satisfied wholly in cash and the Proposed Acquisition will not result in a significant change in NTHB Group's business direction.

13. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors, substantial shareholders and/or persons connected to them has any interest, direct or indirect in the above Proposed Acquisition.

14. STATEMENT BY BOARD OF DIRECTORS

The Board of Directors of the Company, after due consideration of all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is reasonable and is in the best interest of the Company.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the SPA I and SPA II both dated 5 July 2011 are available for inspection at the registered office of the Company at 886, Jalan Bandar Baru, Sungai Kecil 14300 Nibong Tebal Seberang Perai Selatan, Penang during normal hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 6 July 2011.