

## General Announcement

Reference No **LH-090915-53012**

Company Name : **LEONG HUP HOLDINGS BERHAD**  
Stock Name : LHH  
Date Announced : 15/09/2009

Type : Reply to query  
Reply to Bursa : NE-090914-42606  
Malaysia's Query  
Letter - Reference  
ID

Subject : LEONG HUP HOLDINGS BERHAD (“LHH” or the “Company”) Proposed disposal of 40,000,000 ordinary shares of RM0.20 each in Teo Seng Capital Berhad (“Teo Seng”) (“Teo Seng Shares”) by Advantage Valuations Sdn Bhd (“AVSB”), a 51% subsidiary of LHH for a cash consideration of RM18,600,000 (“Disposal”)

Contents : We refer to Bursa Malaysia Securities Berhad’s (“Bursa Securities”) letter dated 14 September 2009 (Ref: NE-090914-42606) pertaining to LHH’s announcement dated 11 September 2009 in respect of the Disposal. In this connection, the Board of Directors of LHH furnishes the following additional information:

1. The disposal consideration of RM18,600,000 for the Disposal on the basis of RM0.465 per Teo Seng Share was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

(a) the initial public offer price of RM0.45 per Share pursuant to the listing exercise of Teo Seng (“Listing”); and

(b) the disposal price of RM0.465 per Teo Seng Share represents a premium/discount to the market price as follows:

(i) a discount of RM0.10 or 2.11% over the five (5)-day weighted average market price (“WAMP”) of Teo Seng Shares up to 9 September 2009 of RM0.475;

(ii) a discount of RM0.006 or 1.27% over the one (1)-month WAMP of Teo Seng Shares up to 9 September 2009 of RM0.471; and

(iii) a premium of RM0.006 or 1.31% over the three (3)-month WAMP of Teo Seng Shares up to 9 September 2009 of RM0.459.

2. The gross proceeds of RM18,600,000 arising from the Disposal are expected to be utilised mainly for the redemption of Redeemable Convertible Preference Shares of AVSB. The proceeds are expected to be fully utilised within 2 months. LHH upon receiving of the redemption sum will be using it as additional working capital.

3.(a) The offer for sale of 37,000,000 Teo Seng Shares by AVSB pursuant to the Listing is subject to approvals from the following:

(i) the Securities Commission for the Listing, which was obtained on 31 March 2008;

(ii) the shareholders of LHH for the Listing, which was obtained on 10 June 2008; and

(iii) the Ministry of International Trade and Industry ("MITI") for the allocation of 37,000,000 Teo Seng Shares to Koperasi Permodalan Felda Berhad, which was obtained on 11 September 2009.

3(b) The disposal of 3,000,000 Teo Seng Shares by AVSB is not subject to any approval from shareholders or government authorities.

4. The highest percentage ratio applicable to the Disposal pursuant to paragraph 10.02(g) of the Listing Requirements will be 0.57%. The percentage ratio is computed based on the disposal of 3,000,000 Teo Seng Shares by AVSB.

The Listing which consists, among others, the offer for sale by AVSB of 37,000,000 Teo Seng Shares to Bumiputera investors to be approved by MITI was approved by the shareholders of LHH on 10 June 2008.

This announcement is dated 15 September 2009.

Query Letter  
content

: We refer to your Company's announcement dated 11 September 2009 in respect of the above matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa Securities") with the following additional information for public release:-

Basis in arriving at disposal consideration of RM18,600,000 and the justification for consideration;  
Proposed utilisation of proceeds and timeframe for full utilisation of proceeds;  
Whether the Disposal is subject to shareholders and the relevant government authorities' approval and the estimated time frame for submission of the application to the relevant authorities; and  
The highest percentage ratio applicable to the Disposal pursuant to paragraph 10.02(g) of the Listing Requirements.

Please furnish Bursa Securities with your reply within one (1) market day from the date hereof.

Yours faithfully

CHONG FUI TZY  
Head, Issuers  
Listing Division  
Regulation

HTH/NAE  
c.c. Head, Market Surveillance, Securities Commission (via fax)

Announcement Details :