

General Announcement
Reference No LH-100218-60725

Company Name	:	LEONG HUP HOLDINGS BERHAD
Stock Name	:	LHH
Date Announced	:	18/02/2010

Type	:	Announcement
Subject	:	LEONG HUP HOLDINGS BERHAD ("LHH" OR "THE COMPANY") ACQUISITION OF 1.3% EQUITY INTEREST IN PT MALINDO FEEDMILL TBK

Contents	:	<p>1. INTRODUCTION</p> <p>The Board of Directors of Leong Hup Holdings Berhad ("LHH") is pleased to announce that the Company has on 17 February 2010 acquired 4,426,000 Ordinary shares of Rp100 (Rupiah One Hundred Only) each or equivalent to 1.3% equity interest in PT Malindo Feedmill Tbk, a public listed company in Indonesia (hereinafter referred as "PT Malindo") for a total consideration of Rp3,983,400,000 (Rupiah Three Billion Nine Hundred Eighty Three Million and Four Hundred Thousand Only) equivalent to RM1,521,543 at the rate of Rp2,618 per RM1 (hereinafter referred as "the Acquisition").</p> <p>2. DETAILS OF THE ACQUISITION</p> <p>LHH has entered into a private arrangement with Standpoint Holdings Sdn. Bhd. for the acquisition of 4,426,000 Ordinary shares of Rp100 (Rupiah One Hundred Only) each in PT Malindo. The acquisition of said equity interest in PT Malindo was arrived at a willing seller willing buyer basis after taking into consideration of the current market price of the said shares. The Acquisition will be paid by internally generated funds. The original cost of investment to Standpoint Holdings Sdn Bhd in the year 2006 was Rp3,894,880,000 (RM1,589,746 at rate of Rp2,450 per RM1).</p> <p>3. INFORMATION OF PT MALINDO</p> <p>PT Malindo Feedmill Tbk was incorporated in Indonesia as a private limited company under the name of PT Gymtech Feedmill Indonesia in the year 1998 and changed its name to the present name in the year 2000. It was listed on the Indonesia Stock Exchange on 10 February 2006.</p> <p>The present authorised share capital of PT Malindo is Rp58,586,816,000 comprising 585,868,160 Ordinary shares of Rp100 each. Its present issued and paid-up share capital is Rp33,900,000,000 comprising of 339,000,000 Ordinary shares of Rp100 each.</p> <p>PT Malindo produces and trades animal feed, particularly broiler breeder feed, broiler feed, layer breeder feed and commercial day old chicks ("DOC"). PT Malindo has investment in subsidiary companies that produces and markets parent stock DOC, commercial DOC and broiler chickens.</p> <p>The Commissioners and Directors of PT Malindo are as follows:</p> <p>Board of Commissioners Dato' Lau Bong Wong Mr Tan Lai Kai Mr Yongkie Handaya (Independent Commissioners)</p>
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Board of Directors
Mr Lau Chia Nguang
Tan Sri Lau Tuang Nguang
Mr. Teoh Bee Tang
Mr. Ong Beng Siong
Dato' Seri Abdul Azim Bin Mohd Zabidi (Independent Director)

Dato' Lau Bong Wong and Tan Sri Lau Tuang Nguang are directors of LHH. Dato' Lau Bong Wong, Tan Sri Lau Tuang Nguang and Mr Lau Chia Nguang are siblings.

4. RATIONALE AND PROSPECT FOR THE ACQUISITION

PT Malindo has been giving consistent dividend. Furthermore, there is a potential growth in the PT Malindo, which operates in Indonesia where the consumption of chicken is still low at about 5kg per capita consumption as compare to Malaysia consumption of 38kg per capita consumption. This will give PT Malindo a potential growth in income therefore there is potential income dividend to LHH.

5. FINANCIAL EFFECTS ON THE ACQUISITION

The Acquisition is within the authority of the Board of Directors of LHH and would not have any material impact or any significant effect on the followings:

- a. the issued and paid-up capital of LHH;
- b. the earnings per share of LHH for the financial year ending 31 March 2010;
- c. the net tangible assets per share; and
- d. the substantial shareholders' shareholding of LHH.

The Board of LHH does not foresee any associated risks and no liabilities will be assumed by LHH arising from the Acquisition. The highest percentage ratio is 0.562% based on the total assets of PT Malindo compared with the total assets of LHH.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH A DIRECTOR OR MAJOR SHAREHOLDER

The Directors of LHH namely Dato' Lau Bong Wong, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang, Mr Lau Joo Hong and /or person connected to them and /or the major shareholders of LHH presently are collectively controlling 76.6% indirect interest in PT Malindo through Dragon Amity Ltd.

In view of the interest of Dato' Lau Bong Wong, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang and Mr Lau Joo Hong in the Acquisition, they have abstained from all Board deliberation pertaining to the Acquisition.

Save as disclosed above, none of the Directors and/or major shareholders and/or persons connected to them have any interest, direct or indirect in the Acquisition.

7. ESTIMATED TIME FOR COMPLETION

Baring any unforeseen circumstance, the Acquisition is expected to be completed within a week from the date of the announcement.

8. DEPARTURE FROM THE POLICES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES OF THE SECURITIES COMMISSION ("SC GUIDELINES")

LHH is not aware of any departures from the SC Guidelines in undertaking the Acquisition.

9. DIRECTORS AND AUDIT COMMITTEE STATEMENTS

The Board of Directors saved for Dato' Lau Bong Wong, Dato' Lau Eng Guang, Tan Sri Lau Tuang Nguang and Mr Lau Joo Hong, after giving due consideration to all aspect of the Acquisition, is of the opinion that the Acquisition is:

- a. in the best interest of LHH;
- b. fair, reasonable and on normal commercial terms; and
- c. not detrimental to the interest of the minority shareholders

based on the current market price traded on the Indonesia Stock Exchange.

The Audit Committee of LHH is of the view that the transaction is:

- a. in the best interest of LHH;
- b. fair, reasonable and on normal commercial terms; and
- c. not detrimental to the interest of the minority shareholders.

Announcement Details :