



General Announcement

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Submitted

Company Information

Main Market Company
 New Announcement

Submitting Investment Bank/Advisor (if applicable)

Submitting Secretarial Firm (if applicable)

* Company name	HONG LEONG CAPITAL BERHAD
* Stock name	HLCAP
* Stock code	5274
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Type * **Announcement**

Subject * **OTHERS**
(Note : INFORMATION ENTERED IN THE DESCRIPTION FIELD WILL BE DISPLAYED AS THE TITLE OF THE ANNOUNCEMENT IN BURSA MALAYSIA'S WEBSITE)

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)

HONG LEONG CAPITAL BERHAD ("HLCB" OR THE "COMPANY")

- (i) Acquisition of 100% equity interest in MIMB Investment Bank Berhad ("MIMB") from Hong Leong Bank Berhad ("Acquisition of MIMB"); and
- (ii) Proposed disposal of 100% equity interest in Hong Leong Investment Bank Berhad ("HLIB") to Hong Leong Bank Berhad.

- Proposed rationalisation of the investment banking businesses of HLCB and its subsidiaries ("HLCB Group")

Announcement Details/Table Section :-

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

We refer to the earlier announcements dated 10 April 2012 and 1 June 2012.

HLCB wishes to inform that following the completion of the Acquisition of MIMB, the Company proposes to rationalise the investment banking businesses of its two (2) wholly-owned subsidiaries, namely HLIB and MIMB. Pursuant to the above, HLIB has today entered into a Business Transfer Agreement with MIMB for the transfer of the entire assets, liabilities, activities, business and undertakings of HLIB ("**HLIB's Business Undertakings**") to MIMB for a provisional consideration of RM251.30 million ("**Proposed Business Rationalisation**").

The provisional consideration of RM251.30 million will be satisfied by MIMB in the following manner within 14 days from the Transfer Date (as defined below) or such other date as may be agreed on:

- (a) cash of RM159,669,234.76;
- (b) 90 million new ordinary shares of RM1.00 each in MIMB; and
- (c) 163,076,524 new redeemable preference shares of RM0.01 each in MIMB.

The provisional consideration of RM251.30 million was arrived at after taking into account the unaudited net tangible assets of HLIB as at 31 July 2011 of RM251.30 million. The final consideration for HLIB's Business Undertakings shall be equal to the net tangible assets of HLIB as at the Transfer Date (as defined below) ("**Completion NTA**"). In the event the Completion NTA is different from the provisional consideration, MIMB shall pay the differential amount to HLIB within five (5) working days of the determination of the Completion NTA or HLIB shall refund the differential amount to MIMB within the same time frame, as the case may be.

HLIB's Business Undertakings shall subsequently be vested to MIMB pursuant to a Court Order to be procured. The completion of the Proposed Business Rationalisation shall take place on such date as may be ordered by the High Court of Malaya ("**Transfer Date**"). Upon completion of the Proposed Business Rationalisation, HLIB shall surrender its merchant banking license to Bank Negara Malaysia and its Capital Markets Services License to the Securities Commission ("**SC**").

The Proposed Business Rationalisation will not have any effect on the issued and paid-up capital and substantial shareholders' shareholdings of HLCB, and it is not expected to have any material effect on the earnings per share, net assets per share and gearing of HLCB Group for the financial year ending 30 June 2013.

The Proposed Business Rationalisation is subject to the approval of the SC, which approval was obtained on 16 March 2012. The Proposed Business Rationalisation is not subject to the approval of the shareholders of HLCB.

None of the directors and major shareholders of the Company and/or any persons connected with them have any interest, direct or indirect, in the

Proposed Business Rationalisation.

This announcement is dated 13 August 2012.

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

- No Attachment Found -

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