



General Announcement

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Initiated by HLG CAP on 23/12/2014 04:22:37 PM

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Reference No HC-141223-E0418

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
* Contact person	Jack Lee/Christine Moh
* Designation	Manager, Secretarial/Group Company Secretary
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Type *

Announcement

Subject *:

PUBLIC SHAREHOLDINGS SPREAD

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")

Status Announcement on Compliance with the Required Public Shareholding Spread

Announcement Details/Table Section :-

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

We refer to the announcement dated 3 December 2014 where the Company informed that it has applied to Bursa Malaysia Securities Berhad ("Bursa Securities") for approval of a lower public spread of 18.67% and, alternatively, for a further extension of time of 6 months to comply with the 25% public shareholding spread requirement ("Application").

HLCB writes to inform that Bursa Securities had vide its letter dated 13 January 2015 resolved to reject the Application, after taking into consideration the following:

1. HLCB has not been able to identify and demonstrate that there is a concrete/definitive plan put in place or to be put in place to rectify the shortfall in the public shareholding spread despite having been granted a total of 21 months extension of time from 28 February 2013 until 30 November 2014 to address the shortfall; and
2. The objective of the public shareholding spread requirement under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") is to ensure there is sufficient market liquidity to facilitate the

buying and selling of the shares in an orderly manner. The lack of trading liquidity in HLCB shares during the period of non-compliance renders the prices of HLCB shares susceptible to significant price movement arising from trading by a small group of investors.

In this regard, Bursa Securities had in the past issued 2 Unusual Market Action queries and on both occasions, HLCB confirmed that it was not aware of any corporate development relating to the HLCB Group's business and affairs or any other possible explanation that could account for the unusual trading activities. Further to that, Bursa Securities had also issued a Market Alert advising investors to exercise caution and to make informed decision in the trading of HLCB shares in view of the sharp rise in the price of HLCB shares.

Bursa Securities had also vide another letter dated 13 January 2015 required the Company to show cause by making a written representation within 5 market days as to why Bursa Securities should not find the Company in breach of Paragraph 8.02(1) of the Listing Requirements and impose one or more penalties including suspension of the trading of the Company's securities pursuant to Paragraph 16.19(1) of the Listing Requirements.

This announcement is dated 13 January 2015.

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

- No Attachment Found -

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