



FOR IMMEDIATE RELEASE:

Leong Hup Holdings Bhd : Release of 3Q results

- *3-fold hike in third quarter net profit*
- *Unlocking assets with potential sale of landbank worth over RM130 million*

MUAR (27 February 2006) – Leong Hup Holdings Berhad (“LHH”) today released a strong set of corporate results for the third quarter ended 31 December 2005. For the period from October to December 2005, LHH reported a net profit after tax of RM17.1 million, a whopping 296% hike from the corresponding period in the previous year. Revenue during the period rose by 11% to RM192.2 million, from RM173.0 million previously.

On the cumulative basis, net profit after tax for the first 9 months of the current financial year ending 31 March 2006 (April – December 2005 period) was RM43.4 million, a strong turnaround from a net loss of RM4.9 million for the previous corresponding period. Revenue for the period was RM521.7 million, representing a 21.3% increase vis-à-vis preceding year corresponding period of RM430.1 million excluding the previous Indonesian subsidiary’s revenue of RM68.5 million.

“The improvement in corporate performance was mainly attributed to better average selling prices of poultry products coupled with lower animal feed cost,” the Company said in its Results Announcement to Bursa Malaysia today.

As a result of the good performance, LHH is declaring a 5% gross interim dividend, or 5 sen per share.

Going forward, LHH is confident of achieving better performance, mirroring its third quarter results. “We believe the stable selling price of broiler chicken, day-old-chicks and table eggs, as well as higher contribution from our processed food division will support a strong earnings growth in the medium to longer term,” said Executive Director Dato’ Kevin Lau Eng Guang.

On the future growth of LHH, Dato’ Lau explained, “we will continue to put much effort and resources to expand our processed food plants. We are also venturing into a Fully-cooked Food Plant in the near term to further diversify our income base”. LHH has earlier announced the acquisition of 8.28 acres of industrial land in Plentong, Johor Bahru for RM6.5 million to house its processed food facilities, as well as the proposed Fully-cooked Food Plant.



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In line with its focus on downstream food-processing business, LHH plans to dispose off its non-core assets, in particular some of its landbank. LHH owns some 212 ha of freehold development landbank in Johor Bahru which has been approved for mixed development. According the Dato' Lau, the piece of landbank is conservatively worth about RM6.00 per square feet (psf), against its original cost of about RM3.00 psf. Based on the estimated value of RM6.00 psf, total sale proceed will come to some RM138 million, which will improve its NTA value further. The additional cashflow from the sale will come in handy to fund the construction of the Fully-cooked Food Plant, as well as to reduce its bank borrowings.

Contact :

Dato' Kevin Lau Eng Guang
Executive Director
Tel : (03) 7980-1020
Fax : (03) 7980-0982
Email : datolau@pd.jaring.my