

ATLAN HOLDINGS BHD (“AHB” OR “COMPANY”)

- I. PROPOSED ACQUISITION OF 4,000,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE EQUITY INTEREST IN RADIANT RANCH SDN. BHD. (“RRSB”), FROM ORCHARD BOULEVARD SDN BHD (“OBSB”), A WHOLLY-OWNED SUBSIDIARY OF DFZ CAPITAL BERHAD (“DFZ”), FOR A CASH PURCHASE CONSIDERATION OF RM14,932,656 AND ASSUMPTION BY AHB OF INTER-COMPANY DEBT DUE AND OWING BY RRSB TO DFZ AND/OR ITS RELATED COMPANY(IES) AMOUNTING TO RM12,067,344 (“PROPOSED ACQUISITION”);**
- II. PROPOSED DISPOSAL OF 300,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE EQUITY INTEREST OF TENGGARA SENANDUNG SDN. BHD. (“TSSB”), A WHOLLY OWNED SUBSIDIARY OF AHB, TO DFZ FOR A CASH DISPOSAL CONSIDERATION OF RM22,000,000 (“PROPOSED DISPOSAL OF TSSB”); AND**
- III. PROPOSED DISPOSAL OF 2,050,000 ORDINARY SHARES OF RM1.00 EACH REPRESENTING THE ENTIRE EQUITY INTEREST OF BINAMOLD SDN. BHD. (“BMSB”), A WHOLLY OWNED SUBSIDIARY OF AHB, TO DFZ FOR A CASH DISPOSAL CONSIDERATION OF RM2,800,763 AND ASSUMPTION BY DFZ OF INTER-COMPANY DEBT DUE AND OWING BY BMSB TO AHB AMOUNTING TO RM5,199,237 (“PROPOSED DISPOSAL OF BMSB”)**

(THE PROPOSED DISPOSAL OF TSSB AND PROPOSED DISPOSAL OF BMSB ARE COLLECTIVELY REFERRED TO AS “PROPOSED DISPOSALS”)

(THE PROPOSED ACQUISITION AND PROPOSED DISPOSALS ARE COLLECTIVELY REFERRED TO AS “PROPOSALS”)

We refer to the announcements made by Affin Investment Bank Berhad (“AFFIN Investment”) on behalf of the Board of Directors of AHB (“Board”) on 16 October 2009 (“Announcement”) and 19 October 2009 in respect of the Proposals and the letter from Bursa Malaysia Securities Berhad (“Bursa Securities”) dated 20 October 2009.

For consistency purposes, the abbreviations and definitions used throughout this announcement are the same as those previously defined in the Announcement.

On behalf of the Board, AFFIN Investment sets out the replies to the queries made by Bursa Securities vide their letter dated 20 October 2009:

1. Query: Expected loss (if any) to be derive from the Proposed Disposals
AHB is not expected to record any gain or loss from the Proposed Disposals.
2. Query: Breakdown on utilisation of proceeds from the Proposed Disposals i.e. working capital, funding for Proposed Acquisition and estimated expenses

The utilisation of proceeds on AHB’s company level is as follows:

| | RM |
|---|------------|
| Proceeds from Proposed Disposal of TSSB | 22,000,000 |
| Proceeds from Proposed Disposal of BMSB | 2,800,763 |
| Proceeds from assumption by DFZ of inter-company debt due and owing by BMSB to AHB as at 31 August 2009 | 5,199,237 |
| | 30,000,000 |
| | |

| | |
|---|--------------|
| To be utilised for: | |
| Proposed Acquisition | (14,932,656) |
| Assumption by AHB of inter-company debt due and owing by RRSB to DFZ and/or its related company(ies) as at 31 August 2009 | (12,067,344) |
| Working capital | (2,700,000) |
| Defrayment of related expenses of the Proposals | (300,000) |
| | (30,000,000) |
| | |

Save for the defrayment of related expenses of the Proposals, there is no cash outflow arising from the utilisation of proceeds from the AHB group of companies (on a consolidated basis) in view that DFZ is a subsidiary of AHB.

3. Query: Whether Encik Mohd Sharif bin Hj. Yusof has any shareholdings in DFZ

As at 30 September 2009, Encik Mohd Sharif bin Hj. Yusof does not hold any share in DFZ.

4. Query: Brief explanation on why the Proposals falls under paragraph 10.08(11)(b) of the Listing Requirements

Dato' Chen Siak Chan is the President – Corporate Affairs & Business Development and Executive Director of DFZ. Dato' Mohamed Suhaimi bin Sulaiman is the Independent Non-Executive Director of DFZ. Both Dato' Chen Siak Chan and Dato' Mohamed Suhaimi bin Sulaiman are also shareholders in AHB, the details of which are set out below:

| Name | Ordinary shares of RM 1.00 each | | | | Warrants 2005/2010 | | | |
|------------------------------------|---------------------------------|----------------|---------------|----------------|--------------------|------|-----------------|---|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | % [#] | No. of shares | % [#] | No. of warrants | % | No. of warrants | % |
| Dato' Chen Siak Chan | 20,200,000 | 9.18 | - | - | - | - | - | - |
| Dato' Mohamed Suhaimi bin Sulaiman | 120,000 | 0.05 | - | - | 153,750 | 0.79 | - | - |

Note:

After deducting 16,542,900 treasury shares from the issued and paid up share capital of 236,552,185 ordinary shares of AHB as at 30 September 2009.

Both Dato' Chen Siak Chan and Dato' Mohamed Suhaimi bin Sulaiman do not hold any share in DFZ as at 30 September 2009.

In view of the above, the Proposals are not deemed to be related party transactions from the perspective of AHB pursuant to Paragraph 10.08(11)(b) of the Main Market Listing Requirements.

This announcement is dated 20 October 2009.