



UOB-KAY HIAN HOLDINGS LIMITED
(Incorporated In The Republic Of Singapore)
Company Registration No: 200004464C

ACQUISITION OF INNOSABAH SECURITIES BERHAD

1. Introduction

- 1.1. The Board of Directors of UOB-Kay Hian Holdings Limited (“**Company**”) wishes to announce that the Company had entered into a Share Purchase Agreement (“**SPA**”) dated 13 December 2011 with Kretam Holdings Berhad (“**Seller**”) to acquire 51,098,323 ordinary shares of RM1.00 each (the “**Sale Shares**”) in Innosabah Securities Berhad (“**ISB**”, and the underlying transaction is referred to as the “**Acquisition**”). The Sale Shares comprise the entire issued and fully paid up (or credited as fully paid up) share capital of ISB.
- 1.2. ISB and one of its subsidiaries are licensed under the Capital Markets and Services Act 2007 of Malaysia to deal in securities and trade in futures contracts on Bursa Malaysia Securities Berhad and Bursa Malaysia Derivatives Berhad respectively.

2. Rationale for the Acquisition

- 2.1. The Acquisition is part of the Company’s regionalization strategy by establishing its presence in the stockbroking industry of Malaysia.
- 2.2. The Company believes the Acquisition will tap opportunities in Malaysia and provide earnings growth for the Company over the medium to long term.

3. Conditions Precedent

- 3.1. The Acquisition is subject to, *inter alia*, the following:
 - 3.1.1. necessary regulatory approvals obtained from the relevant authorities in Malaysia and Singapore
 - 3.1.2. the outcome of the due diligence review in relation to ISB (and its subsidiaries) being satisfactory to the Company.

4. Consideration

4.1. The consideration for the purchase of the Sale Shares shall be the sum in Ringgit Malaysia (RM) equivalent to the adjusted net asset value (“NAV”) of ISB (on a consolidated basis) as at 31 December 2011, plus a premium of RM15,000,000 (equivalent to approximately S\$6.17 million).

The NAV of ISB as at 31 December 2010 was RM40,550,333 (equivalent to approximately S\$16.69 million).

4.2. The acquisition will be funded internally.

5. Financial Effects of the Acquisition

5.1. The Acquisition is not expected to have any material financial impact on the consolidated net tangible assets and earnings per share of the Company or on the profitability and financial position of the Company for the financial year ending 31 December 2011.

6. Interests of Directors and Controlling Shareholders

6.1. None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the acquisition other than through their shareholdings in the company.

BY ORDER OF THE BOARD

Wee Ee-chao
Managing Director
13 December 2011