

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

Acquisition of A.A. Anthony Securities Sdn Bhd

1. INTRODUCTION

- 1.1. The Board of Directors of UOB Kay Hian Holdings Limited (“**Company**” or “**Purchaser**”) is pleased to announce that the Company had entered into a Share Purchase Agreement dated 9 October 2012 (“**SPA**”) with Dynamic Pearl Sdn Bhd (“**Seller**”) to acquire 150,000,000 ordinary shares of RM1.00 each (the “**Sale Shares**”) in A.A. Anthony Securities Sdn Bhd (“**AAA**”, 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 AAA.
- 1.2. AAA is in the business of stock brokering and the regulated activities of dealing in securities, advising on corporate finance and investment advice.

2. CONSIDERATION AND PAYMENT

- 2.1 The Purchase Price shall be the sum in Ringgit Malaysia (RM) equivalent to the Audited NTA plus a premium of RM15,000,000 (approximately SGD6 million) (the “**Premium**”). The Seller shall ensure that the Audited NTA shall not be less than RM150,000,000 (approximately SGD60 million) but shall not exceed RM155,000,000 (approximately SGD62 million) and if the Audited NTA shall exceed RM155,000,000, the excess shall not be taken into consideration in determining the Purchase Price and the Purchaser shall not be liable to pay the excess to the Seller.
- 2.2 The Acquisition shall be funded internally.

3. CONDITIONS PRECEDENT

- 3.1. The completion of the Acquisition is conditional, *inter alia*, upon the following requirements being satisfied:
 - 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 being satisfactory to the Company.

4. INFORMATION ON THE BUSINESS

- 4.1. AAA was incorporated in 1830 in Penang as A.A. Anthony & Co. The Seller acquired JB Securities Sdn Bhd in the year 2000 and A.A. Anthony & Co Sdn Bhd on 30 August 2001. On 24 August 2002, the two companies were merged and renamed A.A. Anthony Securities Sdn Bhd.

AAA is a Participating Organization of Bursa Malaysia Securities Berhad and the Seller is a wholly owned subsidiary of Multi Purpose Holdings Bhd.

- 4.2. AAA had Net Assets of RM173,652,527 (equivalent to approximately SGD69.5 million) as at 31 December 2011. For FY2011, AAA's Profit after Tax was RM12,503,124 (equivalent to approximately SGD5 million).

5. FINANCIAL EFFECTS OF THE ACQUISITION

5.1. Net Tangible Assets

Based on the Company's and its subsidiaries' ("**Group**") audited consolidated financial statements for the financial year ended 31 December 2011, the net tangible asset per share would decrease from 149.25 cents to 148.40 cents assuming that the Acquisition was completed on 31 December 2011.

5.2. Earnings Per Share

Based on the Group's audited consolidated financial statements for the financial year ended 31 December 2011, the earnings per share of the Group would increase from 12.69 cents to 13.39 cents assuming that the Acquisition had been completed on 1 January 2011.

6. RATIONALE FOR THE ACQUISITION

- 6.1. The proposed acquisition is to complement the Company's existing East Malaysian operations by providing a stronger platform in Peninsula Malaysia. A larger sales force and an established back office and IT infrastructure will better equip the Company to expand the scale of its business in Malaysia.
- 6.2. The Acquisition will also bring the following benefits to the Company and its shareholders:
- 6.2.1. further strengthen the Company's brand equity and awareness in Malaysia and the region through an enlarged distribution network and market reach
 - 6.2.2. increase revenue by offering a regional trading platform for Malaysian retail investors, who are currently trading on Bursa Malaysia.

7. RELATIVE FIGURES OF THE ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are shown in the table below:

| Rule 1006 | Bases of calculation | Size of relative figures (%) |
|-----------|---|------------------------------|
| (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value | Not applicable |
| (b) | The net profits attributable to the assets acquired or disposed of compared with the Group's net profits ⁽¹⁾ | 5.58% |
| (c) | The aggregate value of the consideration given or received compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares ⁽²⁾ | 5.83% |
| (d) | The number of equity securities issued by the issuer as consideration for the acquisition, compared with the number of equity securities previously in issue | Not applicable |

Notes:

- (1) Net profits attributable to AAA is based on the audited financial statements for the financial year ended 31 December 2011. There will be some downward revision to the profits arising from certain excluded assets. We are unable to determine the extent of the downward revision at this stage.
- (2) The relative figure is calculated based on the Company's market capitalization of S\$1.167 billion as at 31 August 2012

Based on the above, the Acquisition constitutes a discloseable transaction and does not require the approval of shareholders for the purposes of Chapter 10 of the Listing Manual.

8. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the company has any interest, direct or indirect, in the Acquisition save for their shareholdings in the Company.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours at the Company's registered office at 8, Anthony Road #01-01, Singapore 229957 for three months from the date of this announcement.

BY ORDER OF THE BOARD

Wee Ee Chao
Managing Director
9 October 2012