

DISPOSAL OF INVESTMENT IN SUBSIDIARY AND PRIVATE EQUITY FUND

The Board of Directors of Kim Eng Holdings Limited (the “Company”) wishes to advise that KE Strategic Pte Ltd (“KEStrategic”), a wholly-owned subsidiary of the Company, has agreed to terminate its joint venture agreement dated 28 March 2008 pertaining to Emfore Capital Partners Pte. Ltd. (“Emfore”).

Pursuant to the termination of the joint venture agreement, KEStrategic will transfer its entire 51% equity stake in Emfore to the other existing shareholders of Emfore.

Kim Eng Investment Limited (“KEI”), a wholly-owned subsidiary of the Company incorporated in Hong Kong, will divest its entire investment of US\$1.2 million comprising 12 Investment Units, each of which is for an amount of US\$100,000.00 comprising of (a) 10 “Class B” Ordinary Shares of US\$1.00 each; and (b) 10 Redeemable Preference Shares of US\$9,999.00 each in the capital of EMFORE Asia Growth Fund I Limited (“EAGF I”), a private equity fund managed by Emfore. KEI will further be released from any obligation to fund any capital calls made by EAGF I for the balance of its US\$20 million capital commitment to EAGF I.

As a result of the disposal, Emfore will cease to be a subsidiary of the Company.

The above transactions are not expected to have a material impact on the net tangible assets per share and earnings per share of the Company and its subsidiaries for the current financial year.

Our Chairman & CEO, Mr Ronald Anthony Ooi Thean Yat and Mr Judd Clark Kinne, an alternate Director of the Company are Directors of KEStrategic. Mr Ooi is also a director of KEI.

Save as disclosed, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transactions save for their shareholdings in the Company.

BY ORDER OF THE BOARD
TAN CHEH IMM TERESA
ASSISTANT SECRETARY

31 DECEMBER 2009