

KIM ENG VIETNAM SECURITIES JOINT STOCK COMPANY

The Board of Directors of Kim Eng Holdings Limited (the “Company”) wishes to inform that the Company has increased its shareholdings in its associate company in Vietnam, Kim Eng Vietnam Securities Joint Stock Company (“Kim Eng Vietnam”) from 9,800,000 shares to 13,965,000 shares as a result of the acceptance of its rights entitlement of 4,165,000 shares made pursuant to Kim Eng Vietnam’s Rights Share Offering of 8,500,000 new shares on the basis of 85 rights shares for every 200 existing shares at an issue price of VND10,000 per rights share (“Rights Shares”).

As a result of the issue of Kim Eng Vietnam’s Rights Shares and the issue of 1,500,000 new shares to certain employees of Kim Eng Vietnam at an issue price of VND10,000 per share, the total issued share capital of Kim Eng Vietnam was increased from 20,000,000 shares to 30,000,000 shares.

Based on Kim Eng Vietnam’s enlarged issued share capital, the Company’s shareholdings in Kim Eng Vietnam was diluted from 49% to 46.55%. Kim Eng Vietnam remains an associate company of the Company.

The total consideration of VND41,650,000,000 (approximately S\$3,176,000) was funded by internal resources and bank borrowings.

FINANCIAL EFFECTS

The above transaction is not expected to have a material impact on the net tangible assets per share and earnings per share of the Group for the current financial year.

DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTEREST

Other than Mr Ong Seng Gee who is a director of Kim Eng Vietnam, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction save for their shareholdings in the Company.

BY ORDER OF THE BOARD
TAN CHEH IMM TERESA
ASSISTANT SECRETARY

DATE: 1ST FEBRUARY 2010