

Maybank Expands Regional Investment Banking Platform Via Acquisition Of Strategic Stake In Kim Eng

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Maybank to acquire 44.6% stake in Kim Eng at S\$3.10 per share. Upon completion, Maybank to make mandatory general offer for remaining shares in Kim Eng, with intention to privatise the company. Total consideration for the acquisition of 100% of Kim Eng would amount to S\$1.79 billion (RM4.26 billion)

Kim Eng is a leading stock broker in ASEAN with a top 5 position in Singapore, Thailand, Indonesia and the Philippines, and a presence in global financial centres, including Hong Kong, London and New York. This transaction represents acceleration of Maybank's investment banking and equities platform in ASEAN, addressing an important gap in Maybank's footprint

Kuala Lumpur - Maybank has today through its wholly-owned subsidiary, Aseam Credit Sdn Bhd ("ACSB"), entered into conditional sale and purchase agreements ("CSPA") with each of Mr. Ronald Anthony Ooi Thean Yat ("Mr. Ronald Anthony Ooi") and Yuanta Securities Asia Financial Services Ltd. ("Yuanta") for the acquisition of 15.4% and 29.2% stakes in Kim Eng Holdings Limited respectively. The shares are to be acquired at a price of S\$3.10/share, amounting to a total purchase consideration of S\$798 million (approximately RM1.90 billion).

The proposed acquisition will see Maybank emerge as the single largest shareholder in Kim Eng with an intention to acquire the remaining 55.4% of Kim Eng shares and delist the company. In accordance with the Singapore Code on Take-overs and Mergers, Maybank will be required, upon satisfaction of the conditions set forth in the CSPAs, to make a mandatory offer for all shares not already owned by Maybank. The total estimated purchase consideration for 100% of Kim Eng would be S\$1.79 billion (RM4.26 billion).

Incorporated in 1989, Kim Eng is a leading stock broker in ASEAN, with top 5 positions in key markets, including Singapore, Thailand, Indonesia and the Philippines, and a growing presence in Vietnam. It also has a presence in leading financial centres around the world, including Hong Kong, New York and London. The firm's leadership in stock broking has been recognised by several international publications, including FinanceAsia (Best Broker Award 2010), Asiamoney (Best local brokerage in Singapore 2009 (Broker Poll of Polls)), and Alpha Southeast Asia (Best Broker Award 2008-10).

As of 30 September, 2010, Kim Eng's total assets and shareholders' equity amounted to S\$2.697 billion and S\$938 million, respectively. The acquisition price represents a multiple of 1.91 times Kim Eng's reported book value as of September 30, 2010, and premia of 15% to the last closing price of S\$2.70 and 28% respectively to the one-month volume weighted average price of S\$2.42.

Kim Eng, with its regional platform and well-entrenched leadership position in various markets, represents a unique opportunity for Maybank. The proposed transaction is consistent with Maybank's strategy of developing its pan-ASEAN financial services platform, and accelerates the build-out of its investment banking and equities platform in the region.

On the transaction, Maybank Chairman Tan Sri Megat Zaharuddin Megat Mohd Nor said today, "This is indeed a great leap forward for us so early in the new year. Kim Eng is a perfect complement to our existing strengths in investment banking and the equities market. It gives us the immediate platform to aggressively build up our global wholesale banking capabilities in Asean and beyond. Our combined synergies signal interesting times for us in the region this new year and long term. Immediately, Kim Eng gives us entry into Thailand. We are excited over the tremendous opportunity we will have to grow our business there. We welcome the Kim Eng leadership team and employees into the Maybank Group."

Maybank President and CEO, Dato' Sri Abdul Wahid Omar said "This transaction represents an important milestone in the expansion of our investment banking franchise, and addresses an important gap in our ASEAN footprint. Kim Eng's

market leadership, complementary geographic footprint, product offerings and distribution capability, combined with our commercial banking franchise, provides immense potential for synergies."

Chairman and Chief Executive Officer of Kim Eng Mr Ronald Anthony Ooi, who will continue to lead Kim Eng as Chief Executive Officer post the transaction said, "We are very excited about this transaction and look forward to being part of Maybank, a leading banking franchise in the region. This transaction allows us to take our business to the next level, with the support of Maybank's strong balance sheet and well-entrenched client relationships."

This transaction is subject to approval from, among others, Bank Negara Malaysia and the Monetary Authority of Singapore. Maybank Investment Bank and Nomura Singapore Ltd. are joint financial advisors to Maybank on the transaction.

About Maybank

Maybank is a leading financial services provider in Malaysia offering an extensive product and service range, which includes commercial banking, investment banking, stock broking, insurance and takaful, asset management and others. As of September 30, 2010, it had total assets of RM347.1 billion, and, as of January 5, 2011, it had a market capitalization of RM66.0 billion. Apart from being the leading financial institution in Malaysia, Maybank has established a leading presence in key ASEAN markets, including Singapore, Indonesia and the Philippines. It has over 1,750 branches and offices in 14 countries, 40,000 employees and serves over 18 million customers.

About Kim Eng

Kim Eng is a leading independent securities and investment broking group in Asia with 38 years of history. It is listed on the Singapore Exchange, with a market capitalisation of S\$1,620 million as of January 5, 2011, and had shareholders' equity of S\$938 million as of 30 September 2010.

Kim Eng has an international presence, with an extensive network of offices in Singapore, Hong Kong, Thailand, Indonesia, Philippines, Malaysia, India, Vietnam, London and New York. Through its various subsidiaries, Kim Eng offers a host of financial services such as retail and institutional securities broking, research, corporate finance advisory and asset management services.