SHUAA CAPITAL PSC شعاع كابيتال

SHUAA Capital issues 250 million shares to Dubai Banking Group

Dubai, 16 June 2009: SHUAA Capital psc today issued 250 million shares to Dubai Banking Group pjsc, exercising its rights under the outstanding convertible notes following the expiration of a Memorandum of Understanding between the two companies. SHUAA has requested the Dubai Financial Market to register the shares for trading.

SHUAA had earlier given notice to DBG, prior to the maturity date of the notes in October 2008, of its intention to convert the notes and issue shares at maturity, as it had the right to do under the terms of the notes. DBG objected and proposed alternative terms for extension and/or conversion of the notes.

In an attempt to preserve good relations with a prospective major shareholder and contain negative repercussions to SHUAA's business, both parties agreed to enter into an MOU on 2 November 2008, under which the parties suspended their positions in order to permit SHUAA to seek shareholder approval for proposed compromise measures.

The MOU was extended several times in order to accommodate discussion of various other alternatives for resolution of DBG's concerns. In the end, however, it proved impossible for the Company to achieve a resolution that bridged the differing expectations of the two sides. SHUAA's board unanimously concluded that no agreement could be reached on terms that they could recommend to shareholders.

Issuance of the new shares increases the company's outstanding shares to 800 million shares and DBG becomes a 32% shareholder in SHUAA Capital. Post-issuance book value per share would adjust to AED 2.5 per share. The proceeds from the issuance of the shares have been reflected as part of the equity of SHUAA Capital since December 2007, the first reported quarterly financials after the transaction was closed, and EPS have been reported on a diluted basis of 800 million shares since then.

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A financial investment company licensed and regulated by the U.A.E Central Bank

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رقم السجل التجاري ٥٨٠٨
شركة استثمارات مالية مرخصة وخاضعة لرقابة المصرف المركزي لدولة الإمارات