

A D D E N D U M D A T E D 6 A P R I L 2 0 1 7

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Addendum to the purchaser or transferee as arrangements will be made by CDP for a separate Addendum to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Addendum, together with the Notice of Annual General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.

Terms appearing on the cover of this Addendum have the same meanings as defined in this Addendum.

UOBKayHian

UOB-KAY HIAN HOLDINGS LIMITED

(Company registration no. 200004464C)

(Incorporated in the Republic of Singapore)

**ADDENDUM TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE
AND
THE PROPOSED ADOPTION OF THE NEW CONSTITUTION**

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DEFINITIONS

In this Addendum, the following definitions apply throughout unless otherwise stated:

“Act” or “Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time.
“Addendum”	:	This Addendum dated 6 April 2017.
“AGM”	:	The annual general meeting of the Company, notice of which is enclosed in the Annual Report.
“Amendment Act”	:	The Companies (Amendment) Act 2014
“Board”	:	The board of Directors of the Company for the time being.
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	UOB-Kay Hian Holdings Limited
“Directors”	:	The directors of the Company for the time being.
“Existing Constitution”	:	The Articles of Association of the Company, which were in force immediately before 3 January 2016.
“FY”	:	Financial year of the Company ending or ended 31 December, as the case may be.
“FY2016 Audited Financial Statements”	:	The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2016.
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	7 March 2017, being the latest practicable date prior to the printing of this Addendum.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“NAV”	:	Net asset value
“New Constitution”	:	The new constitution proposed to be adopted by the Company at this AGM.
“Proxy Form”	:	The proxy form in respect of the AGM enclosed with the Annual Report.
“Register of Members”	:	The register of members of the Company.
“Relevant Intermediary”	:	Means: <ul style="list-style-type: none">(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;(b) a person holding a capital markets services licence to provide custodial services for securities under the SFA and who holds shares in that capacity; or(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

“ Securities Account ”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent.
“ SFA ”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share ”	:	An ordinary share in the share capital of the Company and “ Shares ” shall be construed accordingly.
“ Share Buyback Mandate ”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual.
“ Shareholders ”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with those Shares.
“ SIC ”	:	Securities Industry Council of Singapore
“ Substantial Shareholder ”	:	Has the meaning ascribed to it under Section 81 of the Companies Act.
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers

Currencies and units of measurements

“ \$ ”	:	Singapore dollar
“ % ” or “ per cent. ”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The terms, “**subsidiary**” and “**subsidiaries**”, shall have the meanings ascribed to them in the Act.

Words importing the singular number shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender only shall, where applicable, include the feminine and neuter genders. References to person shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Addendum shall, where applicable, have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Addendum between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

UOB-KAY HIAN HOLDINGS LIMITED

(Company registration no. 200004464C)
(Incorporated in the Republic of Singapore)

Directors

Wee Ee Chao (Chairman and Managing Director)
Esmond Choo Liong Gee (Senior Executive Director)
Tang Wee Loke (Independent Director)
Kuah Boon Wee (Independent Director)
Andrew Suckling (Independent Director)
Francis Lee Chin Yong (Non-Executive Director)

Registered Office

8 Anthony Road, #01-01
Singapore 229957

6 April 2017

To: The Shareholders of UOB-Kay Hian Holdings Limited

Dear Sir/Madam

1 INTRODUCTION

This Addendum is circulated to shareholders of UOB-Kay Hian Holdings Limited (the “**Company**”) together with the Company’s Annual Report.

The Notice of AGM and a Proxy Form are enclosed with the Annual Report.

The proposed Ordinary Resolution 8 in the Notice of AGM seeks to obtain Shareholders’ approval for the proposed renewal of the Share Buyback Mandate.

The proposed Special Resolution 9 in the Notice of AGM seeks to obtain Shareholders’ approval for the proposed adoption of the New Constitution.

The purpose of this Addendum is to provide Shareholders with information relating to and explain the rationale for the proposed renewal of the Share Buyback Mandate and the proposed adoption of the New Constitution to be tabled at the AGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Addendum. If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2 PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Introduction

The Board is proposing to seek the Shareholders’ approval at the AGM for the renewal of the Share Buyback Mandate.

Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Existing Constitution and such other laws and regulations as may for the time being be applicable.

It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate.

The Share Buyback Mandate was originally approved by Shareholders on 27 April 2016 and will expire on the date of the forthcoming AGM to be held on 28 April 2017. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.

2.2 Rationale for the Renewal of the Share Buyback Mandate

The renewal of the Share Buyback Mandate will give the Company flexibility to undertake purchases or acquisitions of its own Shares subject to the terms and limits described in section 2.3 of this Addendum.

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share. The Directors further believe that share buybacks by the Company will help to mitigate short term market volatility and offset the effects of short-term speculation (as and when they may occur), and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the share purchases via Market Purchases (as defined herein) or Off-market Purchases (as defined herein), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the approval of the Share Buyback Mandate (the "Approval Date"). Any Shares which are held as treasury shares will be disregarded for the purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 783,453,546 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the Approval Date, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 78,345,354 Shares.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held; or
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting, whichever is earlier; or
- (c) the date on which the share buybacks are carried out to the full extent mandated.

2.3.3 Manner of purchase or acquisition

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through the Company's subsidiary, a licensed stockbroker, or through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

- (b) off-market purchases (“**Off-Market Purchase**”), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax, commission, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

(the “**Maximum Price**”) in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Source of Funds for Share Buyback

The Company will use internal resources and/or external borrowings to finance its purchase or acquisition of the Shares. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. The purchase or acquisition of Shares pursuant to the Share Buyback Mandate will only be undertaken if it can benefit the Company, the Group and Shareholders.

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and shareholders' funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Company and a decline in the current ratios of the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

However, the Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

Any purchase or acquisition of Shares may be made out of the Company's capital and/or profits only if the Company is solvent in accordance with Section 76F(4) of the Companies Act. It is an offence for a director or chief executive officer of a company to approve or authorise the purchase or acquisition of shares, knowing that the company is not solvent.

2.5 Status of purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company pursuant to the Share Buyback Mandate is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

2.6 Treasury shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

In the event that the number of treasury shares held by the Company exceed 10% of the total number of issued Shares of the Company, the Company shall dispose of or cancel the excess shares before the end of the period of six (6) months or such further period as the Registrar of Companies may allow.

The Company has no treasury shares as of the Latest Practicable Date.

2.6.2 Voting and other rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 Disposal and cancellation

Where Shares are held by a public company as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.7 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Buyback Mandate, based on the FY2016 Audited Financial Statements, are based on the assumptions set out below. Such financial effects will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

2.7.1 Purchase or acquisition out of capital or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or retained profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of retained profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

2.7.2 Number of Shares acquired or purchased

The financial effects set out below are based on the FY2016 Audited Financial Statements and, accordingly, are based on a purchase or acquisition of Shares by the Company of up to a maximum limit of ten per cent. (10%) of the 783,453,546 Shares in issue as at 31 December 2016.

Purely for illustrative purposes, on the basis of the 783,453,546 Shares in issue as at 31 December 2016 and assuming no further Shares are issued and disregarding any Shares held by the Company as treasury shares on or prior to the AGM, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase of approximately 78,345,354 Shares (the "Maximum Number of Shares").

2.7.3 Maximum price for Shares acquired or purchased

In the case of Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$1.4154 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$110,890,014 (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases the Maximum Number of Shares at the Maximum Price of S\$1.6176 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$126,731,445 (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

2.7.4 Illustrative financial effects

For illustrative purposes only, on the basis of the assumptions set out in sections 2.7.2 and 2.7.3 above, and assuming that the Company had on the Latest Practicable Date purchased the Maximum Number of Shares pursuant to the Share Buyback Mandate, the financial effects of:

- (a) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and held as treasury shares; and
- (b) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Share Buyback Mandate by way of purchases made out of capital and profits and cancelled,

on the FY2016 Audited Financial Statements are set out below.

The illustrations set out below are based on audited historical figures for the financial year ended 31 December 2016 and are purely for illustrative purposes only. Accordingly, such illustrations are not representative or otherwise indicative of future financial performance of the Company and/or the Group.

Prior to any purchase or acquisition of Shares, the Company will consider financial factors (for instance, cash surplus, debt position and working capital requirements of the Company) and non-financial factors (for instance, market conditions and trading performance of the Shares) in assessing the impact on the Company and the Group of such purchase or acquisition.

(A) **PURCHASES MADE OUT OF CAPITAL AND PROFITS AND HELD AS TREASURY SHARES**

Market/Off-Market Purchases

	Group			Company		
	Before Share Buyback (S\$'000)	After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)	Before Share Buyback (S\$'000)	After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)
Share capital	155,615	155,615	155,615	155,615	155,615	155,615
Reserves	1,203,382	1,203,382	1,203,382	198,652	198,652	198,652
Treasury Shares	–	(110,890)	(126,731)	–	(110,890)	(126,731)
Shareholders' funds	1,358,997	1,248,107	1,232,266	354,267	243,377	227,536
Net assets	1,379,032	1,268,142	1,252,301	320,160	209,270	193,429
Current assets	2,726,316	2,615,426	2,599,585	69,731	69,731	69,731
Current liabilities	1,452,463	1,452,463	1,452,463	75,054	185,944	201,785
Working capital	1,273,853	1,162,963	1,147,122	(5,323)	(116,213)	(132,054)
Total borrowings	631,124	631,124	631,124	907	907	907
Cash and cash equivalents	545,903	435,013	419,172	216	216	216
Profit after tax and minority interest	56,620	56,620	56,620	34,956	34,956	34,956
Number of Shares	783,454	783,454	783,454	783,454	783,454	783,454
Number of Treasury shares	–	(78,345)	(78,345)	–	(78,345)	(78,345)
Financial Ratios						
NAV per Share (cents)	173.46	159.31	157.29	45.22	31.06	29.04
Basic earnings per Share (cents)	7.28	7.38	7.38	4.56	4.56	4.56
Gearing ratio (times)	0.46	0.51	0.51	–	–	–
Current ratio (times)	1.88	1.80	1.79	0.93	0.38	0.35

(B) PURCHASES MADE OUT OF CAPITAL AND PROFITS AND CANCELLED**Market/Off-Market Purchases**

	Group			Company		
	Before Share Buyback (S\$'000)	After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)	Before Share Buyback (S\$'000)	After Share Buyback assuming Market Purchase (S\$'000)	After Share Buyback assuming Off-Market Purchase (S\$'000)
Share capital	155,615	140,053	140,053	155,615	140,053	140,053
Reserves	1,203,382	1,108,055	1,092,212	198,652	103,325	87,482
Shareholders' funds	1,358,997	1,248,107	1,232,266	354,267	243,377	227,536
Net assets	1,379,032	1,268,142	1,252,301	320,160	209,270	193,429
Current assets	2,726,316	2,615,426	2,599,585	69,731	69,731	69,731
Current liabilities	1,452,463	1,452,463	1,452,463	75,054	185,944	201,785
Working capital	1,273,853	1,162,963	1,147,122	(5,323)	(116,213)	(132,054)
Total borrowings	631,124	631,124	631,124	907	907	907
Cash and cash equivalents	545,903	435,013	419,172	216	216	216
Profit after tax and minority interest	56,620	56,620	56,620	34,956	34,956	34,956
Number of Shares	783,454	705,109	705,109	783,454	705,109	705,109
Financial Ratios						
NAV per Share (cents)	173.46	177.01	174.76	45.22	34.52	32.27
Basic earnings per Share (cents)	7.28	7.28	7.78	4.56	4.80	4.80
Gearing ratio (times)	0.46	0.51	0.51	–	–	–
Current ratio (times)	1.88	1.80	1.79	0.93	0.38	0.35

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited consolidated financial statements of the Group for the full year ended 31 December 2016, and is not necessarily representative of the future financial performance of the Group. Although the Share Buyback Mandate will authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury) as at the Approval Date, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the issued Shares (excluding any Shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Directors do not propose to exercise the Proposed Share Buyback Mandate to an extent that would materially and adversely affect the working capital requirements of the Company. The purchases or acquisitions of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Proposed Share Buyback Mandate will only be exercised in the best interests of the Company, for example, to enhance the earnings per Share and/or the NAV per Share of the Company.

2.8 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m., (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements to ensure that notifications are made to the SGX-ST in a timely fashion.

When seeking the approval of Shareholders for the renewal of the Proposed Share Buyback Mandate, the Company is required to disclose details pertaining to the purchases of Shares made by the Company during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks and one (1) month immediately preceding the announcement of the Company’s quarterly results and the annual (full-year) results respectively.

The Listing Manual requires a listed company to ensure that at least ten per cent. (10%) of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 29.67% of the issued Shares are held by public Shareholders. As defined in the Listing Manual, the “public” refers to persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

The Company will not carry out any share buyback unless at least ten per cent. (10%) of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

As at the Latest Practicable Date, approximately 29.67% of the total number of issued Shares are held by the public. In the event that the Company should, pursuant to the Proposed Share Buyback Mandate, purchase or acquire its Shares up to the full 10% limit, about 21.86% of the Shares would continue to be in the hands of the public. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases of its Shares up to the full 10% limit pursuant to the Proposed Share Buyback Mandate without affecting the listing status of the Shares of the Company on the SGX-ST.

2.9 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

The circumstances under which shareholders of a company (including directors of the company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of shares by the company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a takeover offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company’s voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Consequently, Directors and persons acting in concert with them could, depending on the level of increase in their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy back of Shares.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1% in any period of 6 months.

In accordance with the Take-over Code, United Overseas Bank Limited and Wee Ee Chao would be presumed as parties acting in concert with each other. As United Overseas Bank Limited and Wee Ee Chao together own more than 50% of the Company, under Note 5 of Rule 14.1 of the Take-over Code, no obligation will normally arise from acquisitions by any member of the group when the group holds over 50% of a company.

Based on the shareholdings of the Directors and the Substantial Shareholders in the Company as at the Latest Practicable Date, none of the Directors nor the Substantial Shareholders will become obligated to make a mandatory offer by reason only of the buyback of Shares by the Company pursuant to the Share Buyback Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to buy back Shares pursuant to the Share Buyback Mandate.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Shareholders who are in doubt are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.

2.9.4 Shares purchased by the Company

The Company has not made any share buyback on or in the 12 months preceding the Latest Practicable Date.

3 THE PROPOSED ADOPTION OF THE NEW CONSTITUTION

3.1 Background

Amendment Act. The Amendment Act which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Act. The changes aim to reduce regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. The key changes include the introduction of the multiple proxies regime to enfranchise indirect investors and CPF investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the memorandum and articles of association of a company into one document called the "constitution".

New Constitution. The Company is accordingly proposing to adopt the New Constitution which will replace the Existing Constitution, and incorporate amendments to take into account the changes to the Act introduced pursuant to the Amendment Act. At the same time, the existing objects clauses will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The proposed New Constitution also contains updated provisions which are consistent with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date prior to the printing of this Addendum, in compliance with Rule 730(2) of the Listing Manual of the SGX-ST, as well as to address the personal data protection regime in Singapore.

Summary of Principal Provisions. The following is a summary of the principal provisions of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been introduced in the New Constitution, and should be read in conjunction with the proposed New Constitution which is set out in its entirety in Appendix 1 to this Addendum.

3.2 SUMMARY OF KEY PROPOSED ALTERATIONS IN VIEW OF THE AMENDMENT ACT

The following Regulations include provisions which are in line with the Act, as amended pursuant to the Amendment Act. In line with the wording of Section 35 of the Act, all references to "Article" or "Articles" within the New Constitution have been amended to "Regulation" or "Regulations".

3.2.1 Regulation 1 (Article 1 of the Existing Constitution). Article 1 of the Existing Constitution, which provided that the "regulations in Table A in the Fourth Schedule to the Companies Act... shall not apply to the Company, except so far as the same are repeated or contained in these Articles", has been amended to state that the Companies (Model Constitution) Regulations 2015 shall not apply to the Company except as repeated and contained in the Regulations of the Constitution. This is in line with the repealing of Table A following the Amendment Act, and the enactment of the Companies (Model Constitution) Regulations 2015.

- 3.2.2 Regulation 2 (Article 2 of the Existing Constitution).** Regulation 2 is the interpretation section of the New Constitution and includes the following additional/revised provisions:
- (a) a revised definition of documents in “writing” to make it clear that these include any representation or reproduction of words, symbols, or other information which may be displayed in a visible form, whether physical or electronic. This would facilitate, for example, a proxy instrument being in either physical or electronic form;
 - (b) a revised definition of “Account Holder”, “CDP”, “Depositor”, “Depository Agent” and “Depository Register” to make reference to the Securities and Futures Act. This follows the migration of the provisions in the Companies Act which relate to the Central Depository System to the Securities and Futures Act;
 - (c) a new provision stating that the expressions “current address”, “electronic communication”, and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act. This follows the introduction of new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act and amendments made to Section 181 of the Companies Act; and
 - (d) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided.
- 3.2.3 Regulation 3(B) (New Regulation).** Regulation 3(B) has been newly inserted to state that the Company may issue shares for which no consideration is payable to the Company. This provision is in line with the new section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- 3.2.4 Regulation 16 (Article 16 of the Existing Constitution).** The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in Regulation 16, which relates to share certificates. A share certificate need only state (inter alia) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to Section 123(2) of the Companies Act.
- 3.2.5 Regulations 8(c) and 9 (Article 9 of the Existing Constitution).** Regulations 8(c) and 9, which relates to the Company’s power to alter its share capital, has new provisions which:
- (a) empower the Company, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with the new Section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
 - (b) empower the Company, by special resolution, to convert one class of shares into another class of shares. This is in line with the new Section 74A of the Companies Act, which sets out the procedure for such conversions.
- 3.2.6 Regulations 53, 119, 135 and 136 (Articles 53, 119, 135 and 136 of the Existing Constitution).** Regulation 136, which relates to the sending of the Company’s financial statements and related documents to Shareholders, has been amended to provide that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with the new Section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.
- The references to “profit and loss accounts” and “balance sheets” have been updated/substituted in Regulations 53(b), 119 and 135 with references to “financial statements” for consistency with the updated terminology in the Companies Act.
- 3.2.7 Regulation 53 (Article 53 of the Existing Constitution).** Regulation 53, which relates to the routine business that is transacted at an annual general meeting, has been revised to:
- (a) substitute the reference to “accounts” with “financial statements”, and the reference to “the report of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act;
 - (b) expand the routine business items to include, in addition to the re-appointment of the retiring Auditor, the appointment of a new Auditor; and
 - (c) clarify the types of Directors’ remuneration which will be subject to Shareholder approval as routine business.
- 3.2.8 Regulation 61 (Article 61 of the Existing Constitution).** Regulation 61 (B), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the Shareholders having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with Section 178 of the Companies Act, as amended pursuant to the Amendment Act.
- 3.2.9 Regulations 65, 71 and 73 (Articles 65, 71 and 73 of the Existing Constitution).** Regulations 65, 71, and 73, which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:

- (a) Regulation 71(A)(b) provides that save as otherwise provided in the Companies Act, a member who is a “relevant intermediary” may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Shareholder, and where such Shareholder’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
- (b) Regulation 71(B) provides that the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in Regulation 65 to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the Securities and Futures Act;
- (c) Regulation 65(b) provides that in the case of a Shareholder who is a “relevant intermediary” and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act; and
- (d) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting in Regulation 73(A). This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.

3.2.10 Regulation 93 (Article 93 of the Existing Constitution). Regulation 93 which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, has been revised to remove the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.

3.2.11 Regulation 110 (Article 110 of the Existing Constitution). Regulation 110, which relates to the general powers of the Directors to manage the Company’s business, has been amended to clarify that the business and affairs of the Company is to be managed by, or under the direction of or, additionally, under the supervision of the Directors. This is in line with Section 157A of the Companies Act, as amended pursuant to the Amendment Act.

3.2.12 Regulations 139(B) to (F) (New Regulations). Regulations 139(B) to (F), which relates to the service of notices to Shareholders, has been inserted to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to new Section 387C of the Companies Act.

Under the new Section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communication and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations.

Under new regulation 89D of the Companies Regulations, notices or documents relating to take-over offers and rights issues are excluded from the application of section 387C and therefore cannot be transmitted by electronic means pursuant to section 387C.

The insertion of Regulations 139(B) to (F) will enable greater efficiency and cost savings in the transmission of documents from the Company to the Shareholders.

Shareholders who are supportive of the new regime for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions to facilitate this regime, while Shareholders who are not supportive of the new regime may vote against it.

At the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on, *inter alia*, whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. There is no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regime. For so long as the Company is listed on the SGX-ST, the Company will not make use of the new regime to transmit notices or documents electronically to Shareholders unless the SGX-ST’s listing rules allow it and the Company will comply with the SGX-ST’s listing rules on the subject.

3.2.13 Regulation 146 (Article 146 of the Existing Constitution). Regulation 146, which relates to Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

3.2.14 Objects Clause. The existing objects clauses contained in the Existing Constitution (Appendix 2) are proposed to be deleted and substituted with a general provision in the New Constitution to the effect that, subject to the provisions of the Companies Act or any other written law and its constitution, the Company has:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for these purposes, full rights, powers and privileges.

This is in line with Section 23 of the Companies Act, which provides that a company has full capacity to carry on or undertake any business or activity, do any act or enter into any transactions, subject to the law and to the provisions of its constitution.

By deleting the existing objects clauses (which sets out an extensive list of the activities which the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by Section 23, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction. This will facilitate the Company in adapting to the rapidly changing business environment, and to undertake various business activities and enter into business transactions for the benefit of the Company and its Shareholders. The proposed change will also remove any uncertainty as to whether the Company has the power to act in a particular way or to engage in a particular transaction arising from unduly restrictive provisions in the specific objects clauses.

3.3 KEY PROPOSED ALTERATIONS RESULTING FROM AMENDMENTS TO THE LISTING MANUAL

Rule 730(2) of the Listing Manual provides that if an issuer amends its articles or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment. The following Regulations have been amended / included in the New Constitution, or have been updated, to ensure consistency with the listing rules of the SGX-ST prevailing as at the Latest Practicable Date, in compliance with Rule 730(2) of the Listing Manual:

3.3.1 Regulation 3(A) (New Regulation). Regulation 3(A) is a new provision which provides that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution. This is in line with paragraph (1)(b) of Appendix 2.2 of the Listing Manual.

3.3.2 Regulation 4 (Article 4 of the Existing Constitution). The proviso in Article 4(a) of the Existing Constitution (which relates to the issue of shares) that "no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a general meeting" has been removed in the equivalent Regulation 4 of the New Constitution for consistency with Appendix 2.2 of the Listing Manual, as it is no longer a requirement under Appendix 2.2 of the Listing Manual for this provision to be contained in the constituent documents of an issuer. The removal of this proviso will not, however, eliminate the Company's compliance obligations with Rule 803 of the Listing Manual, which provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.

3.3.3 Regulation 5 (Article 5 of the Existing Constitution). Regulation 5, has been amended to provide that total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares. This additional clarification is in line with paragraph 1(a) of Appendix 2.2 of the Listing Manual.

3.3.4 Regulation 17(A) (Article 17(A) of the Existing Constitution). Regulation 17(A) which provides that the Company is not bound to register more than three persons as the holders of any share, states that this excludes the case of executors or administrators or, additionally, trustees, of the estate of a deceased member. This additional clarification is in line with paragraph (4)(d) of Appendix 2.2 of the Listing Manual.

3.3.5 Regulation 51 (Article 51 of the Existing Constitution). Regulation 51, which sets out the timelines by which the Company has to send out notices of General Meeting to Shareholders, has been amended to:

- (a) clarify that the requirement to send out such notices fourteen days before the General Meeting excludes the date of notice and the date of meeting;
- (b) state that where such notices contain special resolutions, they must be given to shareholders at least twenty-one days before the meeting (excluding the date of notice and the date of meeting); and
- (c) provide that at least fourteen days' notice of every such meeting shall be given not only by advertisement in at least one English Language daily newspaper circulating in Singapore, but also in writing to each stock exchange on which the Company is listed.

These clarifications are in line with paragraph 7 of Appendix 2.2 of the SGX-ST Listing Manual which, inter alia, sets out the above requirements.

3.3.6 Regulations 61, 62, 63 and 64 (Articles 61, 62, 63 and 64 of the Existing Constitution). Regulation 61, which relates to the method of voting at general meetings, has new provisions at Regulation 61(A) to make it clear that, if required by the listing rules of the SGX-ST, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). Consequential changes have been made to Regulations 62,

63 and 64. Regulation 62 additionally provides that, if required by the listing rules of the SGX-ST, scrutineers will be appointed. These changes are in line with Rule 730A of the Listing Manual.

- 3.3.7 Regulation 90 (Article 90 of the Existing Constitution).** Regulation 90, which sets out the grounds on which the office of Director shall be vacant, has been amended to introduce an additional ground i.e. where the Director has been disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. This amendment is in line with paragraph 9(n) of Appendix 2.2 of the SGX-ST Listing Manual which provides that a director who is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds must immediately resign from the Board.
- 3.3.8 Regulation 95 (Article 95 of the Existing Constitution).** Regulation 95, which relates to the notice of intention to appoint a Director other than a Director retiring at a meeting, clarifies that such notice of intention, or notice from the person to be proposed giving his consent to the nomination and signifying his candidature for the office, must be lodged at the registered office of the Company not less than 11 nor more than 42 clear days before the date appointed for the meeting. This clarification is in line with paragraph 9(h) of Appendix 2.2 of the Listing Manual.
- 3.3.9 Regulation 98 (Article 103 of the Existing Constitution).** Regulation 98, which relates to the proceedings of Directors in case of vacancies in their body, has been included to make it clear that where the number of Directors is reduced to below the minimum number, the continuing Director(s) may act only for the purpose of filling up such vacancies or of summoning general meetings, except in an emergency. This additional clarification is in line with paragraph (9) (k) of Appendix 2.2 of the Listing Manual.

3.4 OTHER KEY PROPOSED ALTERATIONS

The following articles have been updated, streamlined and rationalised generally:

- 3.4.1 Regulation 10 (Article 10 of the Existing Constitution).** Regulation 10, which sets out the Company's power to acquire its own shares, has been amended to clarify that the types of shares that the company may acquire include treasury shares.
- 3.4.2 Regulations 4, 21, 24, 26, 46 and 47 (Articles 4, 21, 24, 26, 46 and 47 of the Existing Constitution).** Regulations 21, 24, and 26 which relates to calls on shares have been amended to remove references to the nominal amount of shares, share premium accounts and capital redemption reserves. This is in line with the abolition of par value in the Companies Act. Consequential amendments have been made to Regulations 46 and 47. Regulation 4 has also been amended to remove the issuance of shares at a discount.
- 3.4.3 Regulation 49 (Article 49 of the Existing Constitution).** Regulation 49, which relates to the time-frame for holding annual general meetings, has been revised to make it clear that an annual general meeting shall be held once in every year and not more than 15 months after the holding of the last annual general meeting, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between annual general meetings in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year. In any event, the Company is currently required to comply with Rule 707(1) of the Listing Manual, which provides that the time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months.
- 3.4.4 Regulation 56 (Article 56 of the Existing Constitution).** Regulation 56, which relates to the quorum for general meetings, additionally provides that a proxy representing more than one member shall only count as one member, and that where a member is represented by more than one proxy such proxies shall count as only one member, for the purpose of determining the quorum.
- 3.4.5 Regulations 72 and 73 (Articles 72 and 73 of the Existing Constitution).** Regulation 72 which relates to the execution of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, Regulation 73(B) provides that a member can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.
- For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process. Regulation 73, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.
- 3.4.6 Regulations 79 and 80 (Articles 79 and 80 of the Existing Constitution).** These Regulations have been amended for consistency with Section 169 of the Companies Act (which was not amended pursuant to the Amendment Act). Section 169 of the Companies Act requires emoluments for a director to be approved by shareholders' resolution, and "emoluments" in relation to a director includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme and any benefits received by him otherwise than in cash in respect of his services as director.
- 3.4.7 Regulations 75 and 90 (Articles 75 and 90 of the Existing Constitution).** These Regulations have been updated to substitute the references to insanity and a person of unsound mind with references to mental disorder and a person who is incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, which repealed and replaced the Mental Disorders and Treatment Act.

3.4.8 Regulation 127 (Article 127 of the Existing Constitution). Regulation 127, which sets out the power of Directors to invest or otherwise make use of dividends that have been unclaimed for one year after being declared, has been amended to provide, inter alia, that subject to applicable laws, any dividend unclaimed six years after being declared shall be forfeited and shall revert to the Company.

3.4.9 Regulation 133 (Article 133 of the Existing Constitution). Regulation 133, which relates to the Directors' power to issue free shares and/or to capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares, using these methods.

3.4.10 Regulation 148 (New Regulation). In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. New Regulation 148 specifies, inter alia, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

3.5 Appendix 1 and 2. The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, or which have been removed in the New Constitution, is set out in the Appendix 1 to this Addendum and the main differences are blacklined. The New Constitution in its entirety is also set out in the Appendix 1 to this Addendum.

The existing objects clauses in the Existing Constitution which are proposed to be deleted and replaced with a general provision in the New Constitution as described in paragraph 3.2.14 above are set out in Appendix 2 to this Addendum.

The proposed adoption of the New Constitution is subject to Shareholders' approval.

4 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

Director	Direct Interest		Deemed Interest	
	Shares	%	Shares	%
Wee Ee Chao	–	–	200,813,784 ⁽¹⁾	25.63
Tang Wee Loke	33,456,085	4.27	2,350,280	0.30
Substantial Shareholder				
United Overseas Bank Limited	308,590,757	39.39	4,769,286 ⁽²⁾	0.61
U.I.P. Holdings Limited	144,206,359	18.41	–	–
Wee Ee Chao	–	–	200,813,784 ⁽¹⁾	25.63
K.I.P. Inc.	–	–	56,607,425 ⁽³⁾	7.23
Shareholders related to Director				
Lim Seng Bee ⁽⁴⁾	552,991	0.07	–	–
Chuang Yong Eng ⁽⁵⁾	142,000	0.02	–	–
Wee Ee Cheong ⁽⁶⁾	62,148	0.01	–	–

Notes:

- (1) Mr Wee Ee Chao's deemed interest arises from the 144,206,359 shares held by U.I.P. Holdings Limited and 56,607,425 shares held by UOB Kay Hian Private Limited – K.I.P. Inc.
- (2) United Overseas Bank Limited's deemed interest arises from the 4,769,286 shares held by Tye Hua Nominees (Private) Limited.
- (3) K.I.P. Inc.'s deemed interest arises from the 56,607,425 shares registered in the name of UOB Kay Hian Private Limited – K.I.P. Inc.
- (4) Mr Lim Seng Bee is the brother-in-law of Mr Wee Ee Chao.
- (5) Mdm Chuang Yong Eng is the mother of Mr Wee Ee Chao.
- (6) Mr Wee Ee Cheong is the brother of Mr Wee Ee Chao.

5 DIRECTORS' RECOMMENDATION

Proposed Renewal of the Share Buyback Mandate

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 as set out in the notice of AGM relating to the proposed renewal of the Share Buyback Mandate.

Proposed Adoption of New Constitution

The Directors are of the opinion that the proposed adoption of the New Constitution is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Special Resolution 9, as set out in the notice of AGM relating to the proposed adoption of the New Constitution.

6 ACTION TO BE TAKEN BY SHAREHOLDERS

The AGM will be held at the Auditorium, 8 Anthony Road, Singapore 229957 on Friday, 28 April 2017 at 5.30 p.m. for the purposes of considering, and if thought fit, passing, with or without modification Ordinary Resolution 8 and Special Resolution 9 as set out in the Notice of AGM.

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company, not later than 48 hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the AGM.

7 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate and the proposed adoption of the New Constitution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

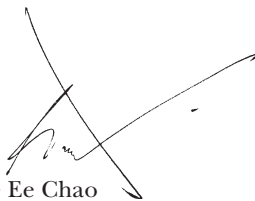
8 DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 8 Anthony Road, #01-01 Singapore 229957 during normal business hours from the date of this Addendum up to the date of the AGM:

- (a) the Existing Constitution;
- (b) the New Constitution; and
- (c) the Annual Report for the financial year ended 31 December 2016.

Yours faithfully

For and on behalf of the the Board of Directors of
UOB-KAY HIAN HOLDINGS LIMITED



Wee Ee Chao
Chairman and Managing Director

UOB-KAY HIAN HOLDINGS LIMITED

(Company registration no. 200004464C)

(Incorporated in the Republic of Singapore)

8 Anthony Road, #01-01, Singapore 229957