

UOB-KAY HIAN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 200004464C
("Company" and together with its subsidiaries, the "Group")

Annual General Meeting to be held on 28 April 2022 – Responses to Questions from Shareholders

The Board of Directors ("**Board**") of UOB-Kay Hian Holdings Limited thanks shareholders for submitting their questions in advance of the Annual General Meeting ("**AGM**") to be held by electronic means on 28 April 2022 at 5.30 p.m.. The responses to the questions raised as follows:

Question 1

With regards to UOBKH's response to Question 2 in AGM2021 on the rise of low cost brokerages, the firm indicated that "...plans are in the pipeline to capture the growing younger generation of investors".

Appreciate if the management could provide more details on the developments since then on engaging this group of investors (e.g. released a new app/ platform for this group).

Company's reply

UOBKH is monitoring the developments in this space closely. Whilst our primary model is to provide a high touch service with deep research and a direct relationship with our remisers, we continue to improve our platform to provide better trading experience. Recently, we have revamped our trading platform UTRADE with simpler, better organised widget-like pages and an Interactive Dashboard.

The Group will continue to enhance the investor experience with constant upgrades.

Question 2

With regards to UOBKH's response to Question 4 in AGM2021 on the firm's share price trading below Net Asset Value (NAV), the firm indicated that there is "no intention for privatisation and share buyback".

However, referring to the Addendum to the Share Purchase Mandate dated 8 Apr 2022, the company indicated under section 2.2: Rationale for the Renewal of the Share Buyback Mandate that "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."

In view of the statements above, may I clarify what is UOBKH's stand regarding a Share Purchase Mandate? (i.e. if there is indeed an intention to perform share buybacks and if no, what are the other ways for UOBKH to increase Shareholders' value).

Company's reply

In the foreseeable future, the Company does not have any share buyback intentions.

Question 3

Are there any significant capex projects planned for the upcoming years?

Company's reply

There are no significant capex projects planned. The Group continues to invest in our systems and infrastructure as required.

Question 4

If there are no significant capex plans in the upcoming years and given that there hasn't been any share buybacks by the firm over the past 5 years, will the board review the potential of an increase in the current dividend payout of about 50%?

Company's reply

For the foreseeable future, the Company will continue with its current dividend policy of a pay-out ratio of 50%.

Question 5

Who is the one that makes the decision to conduct share buybacks? Why was no share buybacks conducted when Mr. Wee Ee Chao was buying shares in UOB Kay Hian?

Company's reply

Decisions relating to share buybacks are made by the Board of Directors of the Company in accordance with the relevant rules and regulations.

In the near future, the Company does not have any share buyback intentions.

Mr. Wee Ee Chao's actions are in his private capacity and distinct from and not in co-ordination with the Company.

Question 6

I note that shares in UOBKH Thailand is not able to meet the minimum float, what are the company's plan in relation to it?

Company's reply

The Group has considered various alternatives to meet Thailand's requirements of minimum free float and will take appropriate measures.

Question 7

With the emergence of new competitors offering lower commission, what are the company's strategy to attract younger investors?

Company's reply

The Group has revamped its trading platform UTRADE to capture the growing younger generation of investors and as mentioned in our response to Question 1, will continually enhance the investor experience.

Question 8

With trading activity tapering, what is the company's outlook?

Company's reply

Taken in isolation tapering trading activity may have a negative impact on our profitability. Its impact will however be mitigated by other services we provide. This include high value-added services in corporate advisory and fund raising, leveraging our wide network of corporate contacts and deep distribution capabilities to execute IPOs, secondary placements and other corporate finance and investment banking activities.

Question 9

The company incorporated "SIP UOB-Kay Hian Asset Management Co., Ltd" in March 2022. The registered office of SIP UOB-Kay Hian Asset Management Co., Ltd is curiously at "Suzhou Industrial Park", with the principal activities being "Private equity investment fund management, venture capital fund management services, asset management and other activities". I note the company's current presence in China is limited to Shanghai, where its "UOB Kay Hian Investment Consulting (Shanghai) Company Limited" provides "Investment consulting and research services".

Hence, I would like to ask why did the company incorporate such an entity in Suzhou? Specifically, why is this new entity based in Suzhou Industrial Park, and not in a major city like Shanghai or Beijing or Shenzhen? Specifically, why is this new entity headquartered in an industrial park, instead of a Tier-1 city? What business opportunities does the company see in Suzhou (Industrial Park)?

Company's reply

The incorporation of the new entity follows the signing of a Memorandum of Understanding between Suzhou Industrial Park Administrative Committee (SIPAC), UOB (China), and UOB Kay Hian in October 2021. The parties aim to provide innovative cross-border investment, financing and trade solutions.

By Order of the Board
UOB-Kay Hian Holdings Limited

Josephine Goh
Company Secretary
22 April 2022