

UOB-KAY HIAN HOLDINGS LIMITED

(Incorporated In The Republic Of Singapore)

Company Registration No. 200004464C

Clarification on Annual Report 2013

The Board of Directors of UOB-Kay Hian Holdings Limited wish to clarify as follows in response to SGX-ST's queries on 22 April 2014 with regard to the Company's Annual Report 2013:

SGX Query 1

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems.

As required under Listing Rule 710, please make disclosure as recommended in the Code or otherwise explain the reason(s) for the deviation from the Code.

Company's Response

The Board is satisfied with the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems.

SGX Query 2

Paragraph 9.3 of the Code states that the Company should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. Companies need only show the applicable bands. There should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).

As the Company is required under Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please let us know whether the Company has complied with the Code in relation to the disclosure of the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).

Company's Response

The Company does not disclose the remuneration of the top five key management personnel (who are not Directors) within bands of S\$250,000 each, the breakdown of each individual's remuneration and the aggregate total remuneration, as it believes that such disclosure is disadvantageous to its business interests, given the highly competitive human resource environment and for purposes of maintaining confidentiality of staff remuneration matters. Non disclosure does not compromise the ability of the Company to meet the code on good corporate governance as the remuneration committee, comprising independent directors, reviews the remuneration package of such key management personnel who are remunerated based on the performance of the Group to ensure that they are fairly remunerated.

Submitted by Ms Chung Boon Cheow, Company Secretary, on 24 April 2014