

UOB-KAY HIAN HOLDINGS LIMITED
(Incorporated In The Republic Of Singapore)
Company Registration No. 200004464C

MINUTES OF THE ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE AUDITORIUM, 8 ANTHONY ROAD, SINGAPORE 229957 ON THURSDAY, 25 APRIL 2024 AT 5.30 P.M.

DIRECTORS PRESENT

Mr Wee Ee Chao : Chairman of the meeting and managing director (in person)
Mr Leong Kok Mun Edmund : Non-executive non-independent director (in person)
Mr Kuah Boon Wee : Independent director (in person)
Mr Andrew Suckling : Independent director (in person)
Mr Tay Wee Jin Michael : Independent director (in person)

ABSENT WITH APOLOGIES

Mr Tang Wee Loke : Non-executive non-independent director

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

INTRODUCTION AND QUORUM

The meeting was chaired by Mr Wee Ee Chao. There being a quorum, the Chairman called the Meeting to order.

NOTICE OF ANNUAL GENERAL MEETING

With the consent of the meeting, the Notice dated 9 April 2024 convening the AGM (the “**Notice**”) was taken as read.

QUESTIONS AND ANSWERS (Q & A)

The Chairman further informed that the Company had received questions from shareholders and SGX Regco. The Company had on 19 April 2024 published its responses to these questions on SGXNET and the Company’s website. The summary of questions and answers can be found in Appendix A.

Shareholders were invited to raise questions on the agenda in relation to the AGM. Questions raised by the Shareholders were addressed by the Directors and management team of the Company and can be found in Appendix B.

BUSINESS OF MEETING

AS ROUTINE BUSINESS
ORDINARY RESOLUTIONS

1. AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The ordinary resolution voted on was:

“To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2023 and the Independent Auditor’s Report received and adopted.”

2. FIRST AND FINAL ONE-TIER TAX EXEMPT DIVIDEND – RESOLUTION 2

The ordinary resolution voted on was:

“To declare a first and final one-tier tax exempt dividend of 9.2 cents per ordinary share for the financial year ended 31 December 2023 be approved.”

3. DIRECTORS’ FEES – RESOLUTION 3

The ordinary resolution voted on was:

“To approve Directors’ Fees of S\$238,068 as Directors’ fees for the financial year ended 31 December 2023 be approved.”

4. RE-APPOINTMENT OF MR WEE EE CHAO – RESOLUTION 4

At this juncture, Mr Wee Ee Chao handed over the chair to Mr Kuah Boon Wee and Mr Kuah proposed:

“That Mr Wee Ee Chao be re-appointed as a director of the company.”

Mr Kuah handed over the chair back to Mr Wee.

5. RE-ELECTION OF MR TANG WEE LOKE – RESOLUTION 5

The ordinary resolution voted on was:

“That Mr Tang Wee Loke be re-elected as a director of the company.”

6. RE-ELECTION OF MR TAY WEE JIN MICHAEL – RESOLUTION 6

The ordinary resolution voted on was:

“That Mr Tay Wee Jin Michael be re-elected as a director of the company.”

7. RE-APPOINTMENT OF AUDITORS – RESOLUTION 7

The ordinary resolution voted on was:

“To re-appoint Deloitte & Touche LLP as Company’s Auditors and to authorise the Directors to fix their remuneration.”

AS SPECIAL BUSINESS
ORDINARY RESOLUTIONS

8. AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES – RESOLUTION 8

The ordinary resolution voted on was:

“That Resolution 8 as set out in the Notice of Annual General Meeting be approved.”

9. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE UOB-KAY HIAN HOLDINGS LIMITED SCRIP DIVIDEND SCHEME – RESOLUTION 9

The ordinary resolution voted on was:

“That Resolution 9 as set out in the Notice of Annual General Meeting be approved.”

10. RENEWAL OF SHARE BUYBACK MANDATE – RESOLUTION 10

The ordinary resolution voted on was:

“That Resolution 10 as set out in the Notice of Annual General Meeting be approved.”

POLLING PROCEDURES

The Chairman informed the shareholders that all motions tabled at the general meeting would be voted by way of a poll pursuant to Listing Rules and Regulation 61 of the Constitution of the Company.

It was noted that B.A.C.S Private Limited and Complete Corporate Services Pte. Ltd. were appointed polling agent and scrutineer respectively for the purpose of the poll and that the Chairman invited the polling agent to explain the polling procedure.

The poll was taken manually towards the end of the meeting after all the resolutions were proposed, seconded and discussed.

CONDUCT OF POLL

The Chairman invited shareholders to cast their votes, which were collected and counted by the scrutineers. The Chairman re-convened the Meeting at about 5:53 p.m. after being handed the results of the poll.

REVIEW OF VOTING RESULTS

The Scrutineers proceeded to announce the following poll voting results of all the Resolutions: -

Resolutions relating to:	Total number of Shares Represented by Votes	FOR		AGAINST	
		Number of shares	%	Number of shares	%
Resolution 1 Financial Statements, Directors' Statement and Auditor's Report	630,602,293	630,564,939	99.99	37,354	0.01
Resolution 2 First and Final Dividend	630,604,061	630,566,707	99.99	37,354	0.01
Resolution 3 Directors' Fees of S\$223,068	630,602,293	630,535,225	99.99	67,068	0.01
Resolution 4 Re-election Mr Wee Ee Chao	630,602,293	625,973,673	99.27	4,628,620	0.73
Resolution 5 Re-election of Mr Tang Wee Loke	630,602,293	630,162,505	99.93	439,788	0.07
Resolution 6 Re-election of Mr Tay Wee Jin Michael	630,602,293	630,564,939	99.99	37,354	0.01
Resolution 7 Auditor and its remuneration	630,602,293	630,541,439	99.99	60,854	0.01
Resolution 8 Authority to allot and issue shares and convertible securities	630,602,293	625,122,029	99.13	5,480,264	0.87
Resolution 9 Authority to allot and issue shares pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme	630,602,293	630,556,739	99.99	45,554	0.01
Resolution 10 Proposed Renewal of the Share Buyback Mandate	630,602,293	630,553,054	99.99	49,239	0.01

Based on the above voting result, the Chairman declared that all resolutions tabled at the AGM were duly carried.

CONCLUSION

There being no other business to transact, the Chairman declared the AGM of the Company closed at 5:57 p.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

WEE EE CHAO
CHAIRMAN

Appendix A

Annual General Meeting to be held on 25 April 2024 – Responses to Questions from Shareholders and Singapore Exchange (“SGX”)

(I) Response to questions from shareholders

Question 1

I note that on 31 Aug 2022, MAS and SGX RegCo imposed a fine of S\$375,000 and banned UOBKH from acting as a full sponsor and issue manager of IPO. UOBKH announced on 2 Sep 2022 that it "has taken remedial measures to enhance their internal policies and controls... and that... MAS has required UOBKH to appoint an independent external party to validate the implementation and effectiveness of its remediation measures."

In the AGM 27 April 2023, shareholders had asked “Have the independent external party been appointed? Who is the independent external party? Have the remedial measures been taken already? Have the implementation and effectiveness of these remedial measures been validated by the independent external party?”

UOBKH’s reply was “Recommended remedial actions have been taken to improve our systems and processes, in order to address potential weaknesses which have been identified. These are currently being validated by an independent external party, approved by MAS.”

Can the company provide an update on the results of the validation by the independent external party, approved by MAS? What is the status? Why is it taking so long? Would the company please provide regular updates to shareholders about the status? Please detail and elaborate.

Company’s reply

Reviews by the independent party have been completed. We are working closely with MAS on the progress and subsequent conclusion.

Question 2

When will MAS and SGX RegCo lift the ban on UOBKH ability to act as a full sponsor and issue manager of IPO? Have UOBKH applied to MAS and SGX RegCo to lift the ban on UOBKH ability to act as a full sponsor and issue manager of IPO? Please detail and elaborate.

Company’s reply

We are working closely with the Regulators on the uplift and will update when this has been concluded.

Question 3

In Feb 2024, Mr Wee Ee Chao was appointed Chairman of Haw Par following the demise of his father, the late Mr Wee Cho Yaw. Sincerest condolences to the Wee family for the demise of the late Mr Wee. What are the implications of the demise of the late Mr Wee Cho Yaw on UOBKH? Please explain and elaborate.

Company’s reply

There is no material impact on UOBKH from the recent demise of the late Mr Wee Cho Yaw.

Question 4

Given Mr Wee Ee Chao new appointment as Haw Par Chairman (following the demise of his father), would he have enough time, space to dedicate himself to his duties in UOB Kay Hian? How does Mr Wee Ee Chao allocate his time between the two? Would UOB Kay Hian be neglected as a consequence? Please explain and elaborate.

Company's reply

On 26 February 2024, Mr Wee Ee Chao was appointed Deputy Chairman, Non-Executive and Non-Independent Director of Haw Par Corporation Limited. He has been on the Board of Haw Par Corporation Limited since 2003.

There is no material impact on UOBKH from the recent appointments of Mr Wee Ee Chao.

Question 5

I am a shareholder, I would like to congratulate the company for another year of impressive results. I have some questions to understand the operations of the business better.

Taxation appears to be about 10% of operating profits. Why is it so low?

Company's reply

Effective tax rates for the Group is low in 2024 as some of our offshore subsidiaries enjoy certain tax exemptions on interest income and offshore income.

Question 6

In 2019, a group of brokers came over from DBS Vickers. After 4 to 5 years, have most of them integrated successfully? What % of the brokers are still with the Company?

Company's reply

The brokers have integrated successfully and the majority of the brokers are still with the Company.

Question 7

On the Balance Sheet, there appears to be some structured loan receivables, participation trade payables and debts issued that are related to some referenced assets. Will management explain in layman's terms the risks that are retained on the Balance sheet? What is the maximum exposure and likelihood of losses arising from such complex products?

Company's reply

The group conducts proper due diligence of every borrower and maintains a conservative loan to value (LTV) ratio for all such transactions. This means that all such financing arrangement will always be sufficiently collateralized. Management regularly reviews the risk profile of the receivables and the balance sheet appropriately reflects the value of the receivables.

(II) Response to Singapore Exchange (“SGX”) Queries regarding Annual Report for the financial year ended 31 December 2023

Question 1

We note that the board diversity related disclosures on page 18 of the FY2023 Annual Report have not complied with Listing Rule 710A(2), which requires an issuer to describe certain aspects of its board diversity policy in its annual report, including (i) its targets to achieve diversity on its board; (ii) its accompanying plans and timelines for achieving the targets; (iii) its progress towards achieving the targets within the timelines; and (iv) a description of how the combination of skills, talents, experience and diversity of its directors serves its needs and plans. Please disclose the relevant information as required under Listing Rule 710A(2).

Company’s reply

The Company Board Diversity approach strives to achieve an optimal composition by ensuring that we have sufficient diversity, primarily in terms of complementary skills, core competencies and experience, to benefit the Group and enhance its long term success. In addition, the Company recognises the value of the other aspects of diversity, such as age and gender, and strives to consider these diversity aspects in reviewing Board composition and succession without compromising its primary considerations. The Board Diversity approach aims to challenge management, mitigate groupthink and provide a range of experience and advice.

Diversity Targets

While the Company considers a range of diversity aspects in assessing the optimal composition for the Board, the Company targets to achieve and maintain a balanced representation of (i) skills, core competencies and expertise (ii) industry experience and (iii) regional and global experience on its Board.

- Diversity in Skills, Core Competencies and Expertise

The Company seeks to maintain a representation of directors with different professional backgrounds and skillsets, including but not limited to business management, financial management, accountancy, marketing, operations and engineering.

- Diversity in Industry Experience

The Company seeks to maintain a representation of directors who bring a broad range of industry perspectives, including but not limited to stockbroking, banking, real estate, corporate finance, investment and financial services and other industrial and commercial services.

- Diversity in Regional and Global Experience

The Company aims to foster diversity by seeking directors who bring regional and international perspectives and cultural understanding.

The Board seeks to ensure sufficient diversity at all times as far as practicable and the composition of the current Board meets its diversity targets. Information on the qualifications and experience of each of our directors is shown on pages 42-43 of Annual Report 2023.

The diversity of skills and expertise ensures the Board possesses the necessary capabilities to provide effective oversight, strategic guidance, and informed decision-making. Diversity of industry experience enhances the Board's ability to navigate evolving business landscapes, identify new opportunities and sustain competitive advantage; while the diversity of regional and global experience enables the Board to appreciate the complexities of regional and global markets, respect diverse customs and practices, and make informed decisions that consider the impact on a regional and global scale.

Question 2

We note that the Company had not disclosed any details in respect of the remuneration of the key management personnel ("KMP"), including the aggregate remuneration paid to them. The Company disclosed on page 23 of the FY2023 Annual Report that "[It] has taken into consideration the sensitive and confidential nature of remuneration matters and believes that disclosure of the remuneration packages of the KMP would be disadvantageous to its business and its shareholders' interests given the highly competitive human resource environment that the Company operates in. This sensitivity is exacerbated by the fact that we are the only listed brokerage house in Singapore.". Please (i) clarify how the disclosure of the aggregate remuneration paid to the top 5 KMP would affect the competitiveness of the Company, given that the names of the top 5 KMP were not disclosed in the FY2023 Annual Report; and (ii) disclose the information accordingly.

Company's reply

UOBKH believes that a detailed disclosure of the remuneration of KMPs is disadvantageous to the business and its shareholders' interests given the highly competitive human resource environment that the Company operates in.

In addition, the Company seeks to promote a collegiate senior team culture focused on collective performance and wished to minimize individual comparisons.

At the aggregated level, the total remuneration of the top 5 KMPs (excluding the CEO) is at SGD 6.2M.

Question 3

Please explain why the directors seeking re-appointment/re-election indicated "No" to declaration item (j) in the "additional information on directors seeking re-appointment/re-election" on pages 127 to 130 of the FY2023 Annual Report after taking into account the disciplinary actions taken against the Company by MAS and SGX RegCo in 2022.

Company's reply

The directors are aware of the disciplinary actions taken by the regulators. They are also apprised of and are involved in the response and remedial actions taken by the management. The initial response of "No" to Section (j) "whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:- " was due to a misinterpretation of the language.

Therefore, taking into account the disciplinary actions taken against the Company by the regulators in 2022, the correct response to section (j) (i) should be “Yes” for both Mr Wee Ee Chao and Mr Tang Wee Loke.

The revised table, with the correct indication is as shown below, replacing the one shown on FY2023 Annual Report page 130.

	Wee Ee Chao Executive Chairman and Managing Director	Tang Wee Loke Non-Executive Non-Independent Director
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes	Yes
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

Appendix B

Question 1

A shareholder enquired on the definition of the segment “Others” of the reportable segments which was disclosed on page 114 and 115 of the Annual Report.

Company’s reply

Management updated that the segment “Others” includes UOB-Kay Hian offices that are located outside of those being disclosed on page 114 and 115, such as Indonesia.

Question 2

A shareholder queried on why the Singapore office had the highest finance expense within the Group, as outlined on page 114 of the Annual Report.

Company’s reply

Management replied that Singapore office has the highest financing within the group, hence, more borrowing is generally required.

Question 3

A shareholder inquired about the reason for the lower equity at the Company level as compared to the Group level, as noted in the Statement of Financial Position on page 52 of the Annual Report.

Company’s reply

Management replied that the subsidiaries had not distributed upwards to the Holding Company in recent years to manage the Group’s capital more efficiently.

Question 4

A shareholder requested updates about the “ongoing investigation on a potential fraud case”, as disclosed on page 113 of the Annual Report.

Company’s reply

Management responded that the investigation is on-going. Based on the latest legal position received from the Group’s legal counsel, any potential legal liability is expected to be remote. Further, there is sufficient insurance coverage for the case, as such any net financial liability is expected to be insignificant.