

ADDENDUM DATED 11 MARCH 2016

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 ADOPTION OF THE SHARE BUYBACK MANDATE

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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 11 March 2016
“AGM”	:	The annual general meeting of the Company, notice of which is enclosed in the Annual Report
“Articles”	:	The Articles of Association of the Company, as amended, modified or supplemented from time to time
“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
“FY”	:	Financial year of the Company ending or ended 31 December, as the case may be
“FY2015 Audited Financial Statements”	:	The audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2015
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	11 March 2016 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
“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
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“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

“S\$”	:	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)
Dr Henry Tay Yun Chwan (Independent Director)
Roland Knecht (Independent Director)
Tang Wee Loke (Independent Director)
Francis Lee Chin Yong (Non-Executive Director)

Registered Office

8 Anthony Road, #01-01
Singapore 229957

11 March 2016

To: The Shareholders of UOB-Kay Hian Holdings Limited

Dear Sir/Madam

THE PROPOSED SHARE BUYBACK MANDATE

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 adoption of the Share Buyback Mandate.

The purpose of this Addendum is to provide Shareholders with information relating to and explain the rationale for the proposed adoption of the Share Buyback Mandate 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 THE PROPOSED SHARE BUYBACK MANDATE

2.1 Introduction

The Board is proposing to seek the Shareholders’ approval at the AGM for the proposed adoption 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 Articles 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 Share Buyback Mandate.

2.2 Rationale for the Share Buyback Mandate

The approval 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 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 772,155,868 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 77,215,587 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.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by Shareholders in the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 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.

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 FY2015 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 FY2015 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 772,155,868 Shares in issue as at 31 December 2015.

Purely for illustrative purposes, on the basis of the 772,155,868 Shares in issue as at 31 December 2015 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 77,215,587 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\$1.449 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\$111,885,386 (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\$1.656 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\$127,869,012 (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:

- 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
 - 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 FY2015 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 2015 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	141,326	141,326	141,326	141,326	141,326	141,326
Reserves	1,168,981	1,168,981	1,168,981	198,443	198,443	198,443
Treasury Shares	–	(111,885)	(127,869)	–	(111,885)	(127,869)
Shareholders' funds	1,310,307	1,198,422	1,182,438	339,769	227,884	211,900
Net assets	1,329,337	1,217,452	1,201,468	339,769	227,884	211,900
Current assets	2,609,940	2,498,055	2,482,071	66,358	66,358	66,358
Current liabilities	1,558,336	1,558,336	1,558,336	76,175	188,060	204,044
Working capital	1,051,604	939,719	923,735	(9,817)	(121,702)	(137,686)
Total borrowings	1,128,027	1,128,027	1,128,027	612	–	–
Cash and cash equivalents	372,201	260,316	244,332	146	146	146
Profit after tax and minority interest	71,450	71,450	71,450	39,968	39,968	39,968
Number of shares	772,156	772,156	772,156	772,156	772,156	772,156
Number of Treasury shares	–	(77,216)	(77,216)	–	(77,216)	(77,216)
Financial Ratios						
NAV per Share (cents)	169.69	155.20	153.13	44.00	29.51	27.44
Basic earnings per Share (cents)	9.38	9.39	9.39	5.25	5.25	5.25
Gearing Ratio (times)	0.86	0.94	0.95	0.00	–	–
Current Ratio (times)	1.67	1.60	1.59	0.87	0.35	0.33

(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	141,326	127,193	127,193	141,326	127,193	127,193
Reserves	1,168,981	1,071,229	1,055,245	198,443	100,691	84,707
Shareholders' Fund	1,310,307	1,198,422	1,182,438	339,769	227,884	211,900
Net assets	1,329,337	1,217,452	1,201,468	339,769	227,884	211,900
Current assets	2,609,940	2,498,055	2,482,071	66,358	66,358	66,358
Current liabilities	1,558,336	1,558,336	1,558,336	76,175	188,060	204,044
Working capital	1,051,604	939,719	923,735	(9,817)	(121,702)	(137,686)
Total borrowings	1,128,027	1,128,027	1,128,027	612	612	612
Cash and cash equivalents	372,201	260,316	244,332	146	146	146
Profit after tax and minority interest	71,450	71,450	71,450	39,968	39,968	39,968
Number of shares	772,156	694,940	694,940	772,156	694,940	694,940
Financial Ratios						
NAV per Share (cents)	169.69	172.45	170.15	44.00	32.79	30.49
Basic earnings per Share (cents)	9.38	9.89	9.89	5.25	5.53	5.53
Gearing Ratio (times)	0.86	0.94	0.95	0.00	0.00	0.00
Current Ratio (times)	1.67	1.60	1.59	0.87	0.35	0.33

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 2015, 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 30.08% 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 30.08% 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 22.31% 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 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	–	–	191,004,625 ⁽¹⁾	24.74
Tang Wee Loke	32,306,830	4.18	2,269,545	0.29
Substantial Shareholder				
United Overseas Bank Limited	308,590,757	39.96	4,769,286 ⁽²⁾	0.62
U.I.P. Holdings Limited	139,252,705	18.03	–	–
Wee Ee Chao	–	–	191,004,625 ⁽¹⁾	24.74
K.I.P. Inc.	–	–	51,751,920 ⁽³⁾	6.70
Shareholders related to Director				
Lim Seng Bee ⁽⁴⁾	533,995	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 139,252,705 shares held by U.I.P. Holdings Limited and 51,751,920 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 51,751,920 shares registered in 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.

4 DIRECTORS' RECOMMENDATION

Proposed Adoption of the Share Buyback Mandate

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

5 ACTION TO BE TAKEN BY SHAREHOLDERS

The AGM will be held at the Auditorium, 8 Anthony Road, Singapore 229957 on Wednesday, 27 April 2016 at 5.30 p.m. for the purposes of considering, and if thought fit, passing, with or without modification Ordinary Resolution 8 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.

6 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 adoption of the Share Buyback Mandate, 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.

7 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 current Memorandum and Articles of Association of the Company; and
- (b) the Annual Report for the financial year ended 31 December 2015.

Yours faithfully

For and on behalf of 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