

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 BOARDROOM, 8 ANTHONY ROAD, SINGAPORE 229957 AND VIA WEBCAST ON
TUESDAY, 28 APRIL 2020 AT 5.30 P.M.

PRESENT

DIRECTORS

Mr Wee Ee Chao	: Chairman of the meeting and managing director
Mr Kuah Boon Wee	: Independent director
Mr Esmond Choo Liong Gee	: Senior executive director (via webcast)
Mr Tang Wee Loke	: Independent director (via webcast)
Mr Andrew Suckling	: Independent director (via webcast)
Mr David Yeow	: Independent director (via webcast)
Mr Chng Seng Hong, Ronny	: Non-executive director (via webcast)

IN ATTENDANCE BY INVITATION

As per attendance record maintained by the Company.

SHAREHOLDERS

As per attendance record maintained by the Company.

INTRODUCTION

The Chairman welcomed all joining the webcast annual general meeting.

He introduced the attendees present in person at the meeting: Mr Kuah Boon Wee (the audit committee chairman of the Company), Mr Ho Kok Yong (audit partner from Deloitte & Touche LLP), Mr Tan Chek Teck (senior management and shareholder of the Company), Ms Wong Cheng Ee (Finance director and shareholder of the Company) and Ms Josephine Goh (the Company secretary).

The Chairman informed the meeting that due to the limit on the number of attendees because of the current COVID-19 outbreak, all other directors of the Company were attending the meeting virtually.

QUORUM

There being a quorum, the Chairman opened and called the meeting to order.

NOTICE OF MEETING

As notice of meeting was given to all shareholders, the notice convening the meeting was taken as read.

OPENING ADDRESS

The Chairman informed the shareholders that the voting at the meeting was by poll and in view of the COVID-19 alternative arrangements for meetings, all resolutions had been voted prior to the meeting by proxy. As such, all resolutions were deemed proposed and seconded.

It was noted that the poll votes had been collected, counted and validated by the Company appointed scrutineer, Finova BPO Pte. Ltd..

The Chairman further informed that the shareholders had been given the opportunity to ask questions prior to the meeting and the Company had received questions from the Securities Investors Association of Singapore (SIAS) and a few shareholders.

For questions raised by SIAS and answers given by the Company, they could be referred to in the Company's postings made on 24 April 2020 on SGXNET and the Company's website.

The Chairman proceeded to read out 4 substantial and relevant questions from shareholders and the answers/explanations given by the Company. The questions and answers/explanations are set out in Appendix A of this minutes along with another 3 questions and answers/explanations.

BUSINESS OF MEETING

AS ORDINARY BUSINESS **ORDINARY RESOLUTIONS**

1 AUDITED FINANCIAL STATEMENTS

The ordinary resolution voted on was:

“That the directors’ statement and audited financial statements for the year ended 31 December 2019 and the auditors’ report be received and adopted.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

2 FIRST AND FINAL ONE-TIER TAX EXEMPT DIVIDEND

The ordinary resolution voted on was:

“That a first and final one-tier tax exempt dividend of 4.2 cents per ordinary share for the year ended 31 December 2019 be approved.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

It was noted that members of the Company would have the option to receive the dividend in cash or to elect to receive new shares in lieu of cash in accordance with the provisions stipulated in the Scrip Dividend Scheme Statement dated 6 February 2014.

3 DIRECTORS’ FEES

The ordinary resolution voted on was:

“That the sum of S\$220,000 as directors’ fees for the year ended 31 December 2019 be approved.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

4(a) RE-ELECTION OF MR ESMOND CHOO LIONG GEE

The ordinary resolution voted on was:

“That Mr Esmond Choo Liong Gee, retiring pursuant to Regulation 91 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.23%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

It was noted that Mr Choo would remain a member of the nominating committee.

4(b) RE-ELECTION OF MR KUAH BOON WEE

The ordinary resolution voted on was:

“That Mr Kuah Boon Wee, retiring pursuant to Regulation 91 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.94%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

It was noted that Mr Kuah, an independent director, would remain the chairman of the audit committee and a member of the remuneration committee.

4(c) RE-ELECTION OF MR DAVID YEOW

The ordinary resolution voted on was:

“That Mr David Yeow, a director ceasing to hold office pursuant to Regulation 97 of the Company’s Constitution, be re-elected as a director of the Company.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

It was noted that Mr Yeow, an independent director, would remain a member of the audit committee.

5 AUDITORS

The ordinary resolution voted on was:

“That Deloitte & Touche LLP be re-appointed auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be fixed by the directors of the Company.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

AS SPECIAL BUSINESS
ORDINARY RESOLUTIONS

6 AUTHORITY TO ALLOT AND ISSUE SHARES AND CONVERTIBLE SECURITIES

The ordinary resolution voted on was:

“That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided always that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company’s shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.28%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

7 AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE UOB-KAY HIAN HOLDINGS LIMITED SCRIP DIVIDEND SCHEME

The ordinary resolution voted on was:

“That pursuant to Section 161 of the Companies Act, Cap. 50, the directors of the Company be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme.”

The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

8 RENEWAL OF SHARE BUYBACK MANDATE

All capitalised terms in this resolution which were not defined herein have the same meanings ascribed to them in the Addendum sent to shareholders of the Company dated 9 April 2020 together with the Company’s annual report.

The ordinary resolution voted on was:

“That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“Shares”) not exceeding in aggregate the number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares or which comprise subsidiary holdings, if any, as at that date) (the “Maximum Percentage”), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price, whether by way of:
- (i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited 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
 - (ii) off-market purchases, otherwise than on an approved exchange as defined in the Companies Act, in accordance with an equal access scheme(s) as may be determined or formulated by the directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,
- on the terms set out in the Addendum, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting is held or required by law to be held; or
 - (ii) 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
 - (iii) the date on which the share buybacks are carried out to the full extent mandated; and
- (c) the directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this resolution.”

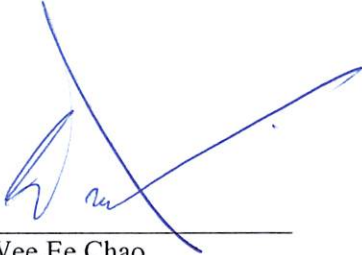
The Chairman announced the result of the votes as follows:

Percentage of votes “FOR” - 99.99%

Based on the result, the Chairman declared that the ordinary resolution was duly passed.

CONCLUSION

There being no other business to transact, the Chairman declared the meeting closed at 5.45 p.m. and thanked everyone for their participation.



Wee Ee Chao
Chairman

UOB-KAY HIAN HOLDINGS LIMITED

Questions raised by shareholders at the Annual General Meeting held on 28 April 2020 on Annual Report 2019 (“AR”)

Question 1

I note from market statistics provided by SGX, trading volumes have increased of late. How have the company’s operations and investment business been impacted by COVID-19? Has the rise in trading volumes in the SGX trickled down to more commissions for UOBKH (after accounting for the impact of the new remisiers onboarded from DBS Vickers)?

I heard from some remisiers in the industry that many Singaporeans have opened new trading accounts with various brokerages. Have UOBKH similarly experienced a surge in new account opening (after accounting for the impact of the new remisiers onboarded from DBS Vickers)? And by what percentage?

Company’s reply

In accordance with MOH/MAS directives, majority of our staff are working from home. Yes, the Company has also seen increase in trading volume, in line with the increase in SGX trading volume.

Question 2

I understand that late last year, UOBKH recruited new remisiers from DBS Vickers. Could the company comment if the new remisiers have been successfully integrated and assimilated into UOBKH and UOBKH platforms? Are these new remisiers contributing positively to UOBKH?

Company’s reply

Yes, I am pleased to say that they have been successfully integrated and are making positive contributions to the Company.

Question 3

I note that both UOBKH and UOB act as sponsors of Catalist-listed companies. As an example, UOB is the sponsor of ST Food whilst UOBKH is the sponsor of Axcelasia.

I would like to know if UOBKH and UOB are in direct competition for sponsorship appointments for Catalist-listed companies? If they are in direct competition, shareholders would naturally be concerned about potential conflicts of interests. Can the company comment on how and what processes are in place to safeguard the interest of UOBKH shareholders?

If UOBKH and UOB are not in direct competition, could the company elaborate if there is an agreement in place whereby UOB takes up sponsorship of certain companies/industries whilst UOBKH other companies/industries? I.e. non-compete agreement, agreement for UOB to sponsor Catalyst-listed companies of market cap \$50 million and above whilst UOBKH sponsors Catalyst-listed companies of market cap \$50 million and below etc.

Company's reply

There are no such agreements in place.

Quite to the contrary where UOB secures a large mandate UOBKH very often are invited due to our complementary strengths to join the pitch together as placement agent/underwriter and/or joint issue manager.

A case in point is the recent IPO of United Hampshire REIT where both UOB and UOBKH were represented as Joint Issue Managers as well as members in the placement & underwriting syndicate. The outcome of that arrangement was very favourable to both sets of shareholders.

Question 4 (Note 8 (Trade & Other Receivables) of the financial statements for FY 2019)

In the financial statements for the year ended 31 December 2019, it was mentioned that Current trade & other receivables as bearing an amount of S\$2,311,657,098. Can the Company provide more details on what constitutes this amount and what are the potential risks involved? Also, would it be possible to declare a higher dividend payout (versus previous year) for financial year ended 31 December 2019, in view that this huge cash amount will be received in coming months?

Company's reply

This comprises mainly outstanding transactions which are due for settlement, margin loans, medium term notes/distressed debts and structured loans receivables.

The outstanding transactions which are due for settlement and margin loans are mainly fully secured by stocks and shares. As explained in notes 8 and 9 to the accounts, medium term notes and structured loans receivables account for close to S394 million and the risks associated with such receivables have been transferred and are fully funded by credit linked notes and loan participation agreements.

UOBKH pays out 50% of its profit after tax. The Group adopts a balanced dividend payout policy to ensure that there is sufficient cash balances to fund its working capital requirements during periods when market turnover is high (such as what we experienced recently) and to take advantage of opportunities to expand its business.

Question 5

What is the effect of COVID-19 crisis on the group as a whole? On the one hand, volatility in the markets has increased substantially and volumes of trading as well. This should lead to greater profitability for the group, especially in regard of securities trading. Have you been able to capture the full effect of the upswing? What are the negative effects, if any, of the lockdowns in the markets you operate in?

Company's reply

The Group as a whole has benefitted from the higher trading volumes resulting from volatility in the markets. This has resulted in higher revenue for the Group as a whole during these few months. The movement control measures in the markets we operate and the safe distancing, work from home requirements have caused a certain level of inconvenience resulting in some inefficiencies. We appreciate the need for such measures being necessary for the safety of our staff and clients and our Group have managed to overcome these short term inconveniences.

There are however concerns over the impact of negative global GDP on overall business prospects post movement control measures. A slow recovery to pre-COVID-19 conditions could affect negatively trading volumes going forward.

Question 6

Longer term, what is the strategy of the group? Will you be increasing your presence in regional markets? If so, which markets are you looking to expand? Are there acquisition opportunities you can grab?

Company's reply

It has always been the strategy of the Group to broaden and deepen its operations in the markets that we already operate in and expand our revenue base. These include Singapore, Hong Kong, Malaysia, Thailand and Indonesia. We are also on the lookout for acquisition opportunities in our existing and new markets where they make commercial and strategic sense to do so.

Question 7

What are you doing in terms of technology to keep in touch with the best trends in the industry? On the flip side, how do you plan to retain customers who are not keen to trade online and prefer the personal touch of a broker?

Company's reply

Deploying technology is integral to the delivery of our suite of value added services to our clients. This is most clearly seen in the current pandemic. Our clients through our proprietary technology applications have access to better trading tools, up to date and relevant corporate and market information to assist them in their trading decisions.

We are also mindful of the increasing cyber security threats and exposure to hackers/scammers as an increasing number of our clients migrate to trading online. Resources have also been applied to make our online platform more secure to enable our clients to trade with greater peace of mind.

We recognise that there is an insignificant segment of our clients who would not feel comfortable or be at ease with carrying out their trades online. Hence there will always be a role for remisiers and dealers to provide the personal touch and value added services to meet their trading needs.

The Company has and will continue to have a group of remisiers/dealers across a diversified age group who are well positioned to provide a human touch to serve this group of clients.