



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Second Quarter Ended 30 June 2014

(Co. Ref. No. 200004464C)

These figures have not been audited.

1(a)(i) A comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

COMPREHENSIVE INCOME STATEMENT	The Group					
	6 months ended	6 months ended	Increase / (Decrease)	3 months ended	3 months ended	Increase / (Decrease)
	30/06/2014	30/06/2013	%	30/06/2014	30/06/2013	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>						
Commission income	112,999	165,598	(31.8)	56,723	78,740	(28.0)
Interest income	69,748	43,370	60.8	37,729	25,941	45.4
Dividend from quoted / unquoted securities	452	217	108.3	452	210	115.2
Other operating revenue	12,169	18,905	(35.6)	5,453	7,192	(24.2)
Total revenue	195,368	228,090	(14.3)	100,357	112,083	(10.5)
Foreign exchange gain	2,452	4,737	(48.2)	1,162	2,165	(46.3)
<b>Total income</b>	<b>197,820</b>	<b>232,827</b>	<b>(15.0)</b>	<b>101,519</b>	<b>114,248</b>	<b>(11.1)</b>
<b>Costs and expenses</b>						
Commission expenses	(26,525)	(39,060)	(32.1)	(12,607)	(18,451)	(31.7)
Personnel expenses	(53,501)	(67,895)	(21.2)	(27,442)	(31,732)	(13.5)
Depreciation expenses	(4,499)	(4,536)	(0.8)	(2,208)	(2,298)	(3.9)
(Allowance for) / Write back of allowance for impairment of trade debtors & bad debts written off	(282)	2	(14,200.0)	(206)	(176)	17.0
Net fair value gain / (loss) on financial assets / liabilities through profit or loss	78	(118)	(166.1)	340	(338)	(200.6)
Allowance for impairment of goodwill	(1,258)	-	N.M	(1,158)	-	N.M
Finance expenses	(38,419)	(14,424)	166.4	(22,454)	(10,998)	104.2
Other operating expenses	(32,223)	(33,157)	(2.8)	(15,347)	(16,573)	(7.4)
	<b>(156,629)</b>	<b>(159,188)</b>	<b>(1.6)</b>	<b>(81,082)</b>	<b>(80,566)</b>	<b>0.6</b>
<b>Profit before tax</b>	<b>41,191</b>	<b>73,639</b>	<b>(44.1)</b>	<b>20,437</b>	<b>33,682</b>	<b>(39.3)</b>
Income tax expense*	(6,020)	(12,645)	(52.4)	(3,389)	(5,922)	(42.8)
<b>Profit after tax</b>	<b>35,171</b>	<b>60,994</b>	<b>(42.3)</b>	<b>17,048</b>	<b>27,760</b>	<b>(38.6)</b>
<b>Other comprehensive (expense) / income (net of tax):</b>						
Foreign currency translation difference	(3,566)	8,785	(140.6)	(4,719)	(705)	569.4
Available-for-sale financial assets	(293)	903	(132.4)	(1,272)	85	(1,596.5)
	<b>(3,859)</b>	<b>9,688</b>	<b>(139.8)</b>	<b>(5,991)</b>	<b>(620)</b>	<b>866.3</b>
<b>Total comprehensive income for the period</b>	<b>31,312</b>	<b>70,682</b>	<b>(55.7)</b>	<b>11,057</b>	<b>27,140</b>	<b>(59.3)</b>

\*Under provision of taxation in respect of prior years in the 6 months ended 30 June 2014 is \$142,906. (6 months ended 30 June 2013: \$1,402)

N.M. = Not Meaningful.

1(a)(i) A comprehensive income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year *(continued)*

**COMPREHENSIVE INCOME STATEMENT**  
*(continued)*

	The Group					
	6 months ended 30/06/2014	6 months ended 30/06/2013	Increase / (Decrease) %	3 months ended 30/06/2014	3 months ended 30/06/2013	Increase / (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Profit attributable to :</b>						
Owners of the Company	34,722	58,558	(40.7)	16,841	26,650	(36.8)
Non-controlling interests	449	2,436	(81.6)	207	1,110	(81.4)
	<b>35,171</b>	<b>60,994</b>	<b>(42.3)</b>	<b>17,048</b>	<b>27,760</b>	<b>(38.6)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	30,559	67,844	(55.0)	10,986	26,916	(59.2)
Non-controlling interests	753	2,838	(73.5)	71	224	(68.3)
	<b>31,312</b>	<b>70,682</b>	<b>(55.7)</b>	<b>11,057</b>	<b>27,140</b>	<b>(59.3)</b>

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	As at 30/06/2014 SS'000	As at 31/12/2013 SS'000	As at 30/06/2014 SS'000	As at 31/12/2013 SS'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	212,890	245,959	254	186
Outstanding contracts receivable	631,406	619,722	-	-
Trade receivables	1,663,267	1,445,253	-	-
Other financial assets, at fair value through profit or loss	7,104	57,951	-	-
Other current assets	29,776	37,293	18,737	62,501
Derivative financial instruments	4	2,766	-	-
<b>Total current assets</b>	<b>2,544,447</b>	<b>2,408,944</b>	<b>18,991</b>	<b>62,687</b>
<b><u>Non-current assets</u></b>				
Trade and other receivables	46,783	91,710	187	190
Goodwill	6,310	7,536	-	-
Subsidiaries	-	-	349,374	349,374
Financial assets, available-for-sale	16,433	15,648	-	-
Trading rights in Exchanges	94	557	-	-
Memberships in Exchanges	209	209	-	-
Property, plant and equipment	56,367	59,997	-	-
Deferred tax assets	2,159	1,931	-	-
<b>Total non-current assets</b>	<b>128,355</b>	<b>177,588</b>	<b>349,561</b>	<b>349,564</b>
<b>Total assets</b>	<b>2,672,802</b>	<b>2,586,532</b>	<b>368,552</b>	<b>412,251</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	593,731	573,588	-	-
Trade and other payables	65,119	133,641	106,227	142,254
Borrowings	483,560	453,568	-	-
Debts issued	325,478	236,626	-	-
Income tax payable	13,731	15,509	-	-
Derivative financial instruments	404	1,882	-	-
<b>Total current liabilities</b>	<b>1,482,023</b>	<b>1,414,814</b>	<b>106,227</b>	<b>142,254</b>
<b><u>Non-current liabilities</u></b>				
Trade and other payables	2,215	2,215	-	-
Deferred tax liabilities	928	1,174	-	-
<b>Total non-current liabilities</b>	<b>3,143</b>	<b>3,389</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,485,166</b>	<b>1,418,203</b>	<b>106,227</b>	<b>142,254</b>
<b><u>Equity</u></b>				
Capital, reserves and non-controlling interests				
Share capital	110,677	72,471	110,677	72,471
Reserves	(67,324)	(64,529)	-	-
Retained earnings	1,127,863	1,140,166	151,648	197,526
Equity attributable to owners of the Company	1,171,216	1,148,108	262,325	269,997
Non-controlling interests	16,420	20,221	-	-
<b>Total equity</b>	<b>1,187,636</b>	<b>1,168,329</b>	<b>262,325</b>	<b>269,997</b>
<b>Total liabilities and equity</b>	<b>2,672,802</b>	<b>2,586,532</b>	<b>368,552</b>	<b>412,251</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with related parties	486,234	495,702	-	-
- with non-related banks	554,581	546,829	-	-
Margin with clearing houses	18,038	16,880	-	-
Less: Amounts held in trust	(1,058,853)	(1,059,411)	-	-
	-	-	-	-

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	The Group			
	As at 30/06/2014		As at 31/12/2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	468,856	14,704	440,071	13,497
Amounts repayable after one year	-	-	-	-

As at period end, the Group had debts issued amounting to S\$325,478,176. The debts issued, with derivative in the form of an embedded credit default swap or a put option, allow the Group to transfer the underlying assets to the note holders as full and final settlement upon the occurrence of a credit event.

**Details of any collateral**

Bank overdrafts and short term loans of subsidiaries amounting to S\$468,855,871 are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			
	6 months ended 30/06/2014 S\$'000	6 months ended 30/06/2013 S\$'000	3 months ended 30/06/2014 S\$'000	3 months ended 30/06/2013 S\$'000
	<b>Operating activities</b>			
Profit before income tax	41,191	73,639	20,437	33,682
Adjustments for:				
Depreciation expenses	4,499	4,536	2,208	2,298
Net (gain) / loss on disposal of property, plant and equipment	(24)	(4)	2	(12)
Allowance for trade receivables	338	37	235	287
Gain on disposal of subsidiary	-	(259)	-	(259)
Loss on disposal of trading rights	320	-	320	-
Impairment in goodwill	1,258	-	1,158	-
Dividend income from quoted / unquoted securities	(452)	(217)	(452)	(210)
Interest expenses	38,419	14,424	22,454	10,998
Exchange differences	(543)	(2,758)	(913)	(3,754)
Operating cash flow before working capital changes	85,006	89,398	45,449	43,030
Changes in operating assets and liabilities:				
Other financial assets / liabilities, at fair value through profit or loss	50,342	(4,228)	15,158	(6,068)
Financial assets, available for sale	(1,053)	(1,350)	4,474	5,141
Trade, outstanding contracts and other receivables	(88,597)	(325,217)	284,980	(42,410)
Trade, outstanding contracts and other payables	(50,351)	144,927	(217,948)	18,730
Cash (used in) / generated from operations	(4,653)	(96,470)	132,113	18,423
Interest paid	(38,419)	(14,424)	(22,454)	(10,998)
Income tax paid	(8,328)	(6,546)	(8,008)	(5,958)
<b>Net cash (used in) / provided by operating activities</b>	(51,400)	(117,440)	101,651	1,467
<b>Investing activities</b>				
Payments for property, plant and equipment	(874)	(2,611)	(414)	(1,845)
Proceeds from disposal of property, plant and equipment	82	14	8	13
Proceeds from disposal of financial assets, available for sale	-	37	-	-
Proceeds from disposal of trading rights	142	-	142	-
Acquisition of subsidiary	-	(19,089)	-	(850)
Disposal of subsidiary	-	4,719	-	4,719
Dividends received from quoted / unquoted securities	452	217	452	210
<b>Net cash (used in) / from investing activities</b>	(198)	(16,713)	188	2,247
<b>Financing activities</b>				
Drawdown / (repayment) of short-term bank loans	27,674	127,853	(108,920)	(14,961)
Payment to non-controlling interests for additional interest in a subsidiary	(2,632)	-	(1,439)	-
Payment to non-controlling interests for dividend	(473)	(301)	(473)	(301)
Dividends paid	(8,900)	(28,988)	(8,900)	(28,988)
<b>Net cash from / (used in) financing activities</b>	15,669	98,564	(119,732)	(44,250)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. *(continued)*

	The Group			
	6 months ended 30/06/2014	6 months ended 30/06/2013	3 months ended 30/06/2014	3 months ended 30/06/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	543	2,758	913	3,754
<b>Net decrease in cash and cash equivalents during the financial period</b>	(35,386)	(32,831)	(16,980)	(36,782)
Cash and cash equivalents at beginning of the financial period	234,410	221,251	216,004	225,202
<b>Cash and cash equivalents at end of the financial period</b>	<b>199,024</b>	<b>188,420</b>	<b>199,024</b>	<b>188,420</b>

For the purpose of consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following :

	The Group	
	As at 30/06/2014	As at 30/06/2013
	S\$'000	S\$'000
Cash and bank balances	212,890	189,926
Less: Bank overdrafts	(13,866)	(1,506)
Cash and cash equivalents per consolidated cash flow statement	<b>199,024</b>	<b>188,420</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF CHANGES IN EQUITY – THE GROUP**

	Share capital S\$'000	Statutory reserve S\$'000	Equity reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to members of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>Balance at 1 January 2014</b>	<b>72,471</b>	<b>1,661</b>	<b>(1,246)</b>	<b>3,090</b>	<b>(68,034)</b>	<b>1,140,166</b>	<b>1,148,108</b>	<b>20,221</b>	<b>1,168,329</b>
<b>Total comprehensive income for first quarter</b>									
Profit for the period	-	-	-	-	-	17,881	17,881	242	18,123
Other comprehensive income	-	2	-	961	729	-	1,692	440	2,132
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>961</b>	<b>729</b>	<b>17,881</b>	<b>19,573</b>	<b>682</b>	<b>20,255</b>
Acquisition of additional interest in subsidiary	-	32	754	-	-	-	786	(1,979)	(1,193)
Transfer from statutory reserve	-	(81)	-	-	-	81	-	-	-
<b>Balance at 31 March 2014</b>	<b>72,471</b>	<b>1,614</b>	<b>(492)</b>	<b>4,051</b>	<b>(67,305)</b>	<b>1,158,128</b>	<b>1,168,467</b>	<b>18,924</b>	<b>1,187,391</b>
<b>Total comprehensive income for second quarter</b>									
Profit for the period	-	-	-	-	-	16,841	16,841	207	17,048
Other comprehensive income	-	(15)	-	(1,250)	(4,590)	-	(5,855)	(136)	(5,991)
<b>Total</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(1,250)</b>	<b>(4,590)</b>	<b>16,841</b>	<b>10,986</b>	<b>71</b>	<b>11,057</b>
Acquisition of additional interest in subsidiary	-	39	624	-	-	-	663	(2,102)	(1,439)
Final dividend for 2013 paid	38,206	-	-	-	-	(47,106)	(8,900)	-	(8,900)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	(473)	(473)
<b>Balance at 30 June 2014</b>	<b>110,677</b>	<b>1,638</b>	<b>132</b>	<b>2,801</b>	<b>(71,895)</b>	<b>1,127,863</b>	<b>1,171,216</b>	<b>16,420</b>	<b>1,187,636</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

**STATEMENT OF CHANGES IN EQUITY – THE GROUP (continued)**

	Share capital S\$'000	Statutory reserve S\$'000	Equity reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to members of the Company S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
<b>Balance at 1 January 2013</b>	<b>72,471</b>	<b>1,542</b>	<b>(1,534)</b>	<b>2,447</b>	<b>(65,450)</b>	<b>1,076,092</b>	<b>1,085,568</b>	<b>21,947</b>	<b>1,107,515</b>
Total comprehensive income the first quarter									
Profit for the period	-	-	-	-	-	31,908	31,908	1,326	33,234
Other comprehensive income	-	87	-	873	8,060	-	9,020	1,288	10,308
<b>Total</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>873</b>	<b>8,060</b>	<b>31,908</b>	<b>40,928</b>	<b>2,614</b>	<b>43,542</b>
Transfer to statutory reserve	-	150	-	-	-	(176)	(26)	26	-
<b>Balance at 31 March 2013</b>	<b>72,471</b>	<b>1,779</b>	<b>(1,534)</b>	<b>3,320</b>	<b>(57,390)</b>	<b>1,107,824</b>	<b>1,126,470</b>	<b>24,587</b>	<b>1,151,057</b>
Total comprehensive income for second quarter									
Profit for the period	-	-	-	-	-	26,650	26,650	1,110	27,760
Other comprehensive income	-	(69)	-	13	322	-	266	(886)	(620)
<b>Total</b>	<b>-</b>	<b>(69)</b>	<b>-</b>	<b>13</b>	<b>322</b>	<b>26,650</b>	<b>26,916</b>	<b>224</b>	<b>27,140</b>
Final dividend for 2012 paid	-	-	-	-	-	(28,988)	(28,988)	-	(28,988)
Disposal of subsidiary	-	-	-	-	-	-	-	(2,680)	(2,680)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	(301)	(301)
<b>Balance at 30 June 2013</b>	<b>72,471</b>	<b>1,710</b>	<b>(1,534)</b>	<b>3,333</b>	<b>(57,068)</b>	<b>1,105,486</b>	<b>1,124,398</b>	<b>21,830</b>	<b>1,146,228</b>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

## STATEMENT OF CHANGES IN EQUITY – THE COMPANY

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2014</b>	72,471	197,526	269,997
Total comprehensive loss for first quarter	-	(107)	(107)
<b>Balance at 31 March 2014</b>	72,471	197,419	269,890
Total comprehensive income for second quarter	-	1,335	1,335
Final dividend for 2013 paid	38,206	(47,106)	(8,900)
<b>Balance at 30 June 2014</b>	<b>110,677</b>	<b>151,648</b>	<b>262,325</b>

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2013</b>	72,471	170,960	243,431
Total comprehensive loss for first quarter	-	(94)	(94)
<b>Balance at 31 March 2013</b>	72,471	170,866	243,337
Total comprehensive income for second quarter	-	1,134	1,134
Final dividend for 2012 paid	-	(28,988)	(28,988)
<b>Balance at 30 June 2013</b>	<b>72,471</b>	<b>143,012</b>	<b>215,483</b>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares	Number of shares			
	6 months ended 30/6/2014	6 months ended 30/06/2013	3 months ended 30/06/2014	3 months ended 30/06/2013
<b>Balance at beginning of period</b>	724,709,009	724,709,009	724,709,009	724,709,009
Issue of shares under scrip dividend scheme	25,505,898	-	25,505,898	-
<b>Balance at end of period</b>	<b>750,214,907</b>	<b>724,709,009</b>	<b>750,214,907</b>	<b>724,709,009</b>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

	30 June 2014	31 December 2013
No. of shares	750,214,907	724,709,009

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910. (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report. (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have applied the same accounting policies in the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2013.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group			
	6 months ended 30/6/2014	6 months ended 30/06/2013	3 months ended 30/06/2014	3 months ended 30/06/2013
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	4.78 cents	8.08 cents	2.31 cents	3.68 cents
(ii) On a fully diluted basis	4.78 cents	8.08 cents	2.31 cents	3.68 cents

7 Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.

	The Group		The Company	
	As at 30/6/2014	As at 31/12/2013	As at 30/6/2014	As at 31/12/2013
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	156.12 cents	158.42 cents	34.97 cents	37.26 cents

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affect the turnovers, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Operating Profit and Expenses**

**2Q14 vs 2Q13**

Trading volumes remained low in regional markets throughout 2Q14 due to political uncertainties and poor investor sentiment. The Group recorded pre-tax profit of S\$20.4 million and after tax profit of S\$17.0 million, a decrease of 39.3% and 38.6% respectively.

Commission income reduced from S\$78.7 million to S\$56.7 million, reflecting a decrease of 28.0%. Interest income grew 45.4% from S\$25.9 million to S\$37.7 million with higher financing activities. Other operating revenue fell 24.2% from S\$7.2 million to S\$5.5 million with lower corporate finance activities.

Commission expenses decreased 31.7% from S\$18.5 million to S\$12.6 million and personnel expenses fell 13.5% from S\$31.7 million to S\$27.4 million, in line with lower commission income. A S\$1.2 million allowance for impairment of goodwill was made following a review of goodwill carried by our Thai subsidiary. The increase in finance expenses was due to higher financing activities. Other operating expenses reduced with lower trading volumes and merger efficiency achieved in Malaysian subsidiary.

**1H14 vs 1H13**

The group recorded profit before tax of S\$41.2 million and profit after tax of S\$35.2 million, a decrease of 44.1% and 42.3% respectively.

Market sentiment remained cautious, concerned over cooling measures and political uncertainties in the region. Commission income decreased from S\$165.6 million to S\$113.0 million, representing a decrease of 31.8%. Interest income rose 60.8% from S\$43.4 million to S\$69.7 million due to higher financing activities. Other operating revenue decreased by 35.6% from S\$18.9 million to S\$12.2 million with less corporate finance activities.

Commission expenses decreased by 32.1% from S\$39.1 million to S\$26.5 million with lower commission income and personnel expenses declined 21.2% from S\$67.9 million to S\$53.5 million. Finance expenses increased in line with higher lending activities.

**Balance Sheet**

The Group's net asset value of S\$1.19 billion as at 30 June 2014 reflects a healthy financial position. There were no significant changes in the composition of Group balance sheet items.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Market traded volumes across the region were adversely affected by political uncertainties in Thailand and Indonesia, further exacerbated by a weakening China economy and investment outflows from Asia to developed markets.

We expect challenging conditions to prevail for the rest of the financial year.

**11 Dividend**

**(a) Current Financial Period Reported On**

*Any dividend declared for the current financial period (quarter) reported on?*

*None*

**(b) Corresponding Period of the Immediately Preceding Financial Year**

*Any dividend declared for the corresponding period (quarter) of the immediately preceding financial year?*

*None*

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12 If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the quarter ended 30 June 2014.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPTs mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

**14 Confirmation of the Board**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the quarter ended 30 June 2014 to be false or misleading in any material aspect.

By order of the Board of Directors

Wee Ee-chao  
Managing Director

Esmond Choo  
Executive Director

**BY ORDER OF THE BOARD**

**Wee Ee-chao**  
**Managing Director**  
**14 August 2014**