



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Full Year Ended 31 December 2018

(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					
	12 months ended	12 months ended	Increase / (Decrease)	3 months ended	3 months ended	Increase / (Decrease)
	31/12/2018	31/12/2017	%	31/12/2018	31/12/2017	%
	S\$'000	S\$'000		S\$'000	S\$'000	
<b><u>Revenue</u></b>						
Commission income	238,094	250,518	(5.0)	45,460	66,056	(31.2)
Interest income	110,890	97,673	13.5	31,235	28,087	11.2
Dividend from quoted / unquoted securities	110	49	124.5	48	(1)	N.M
Other operating revenue	25,879	27,980	(7.5)	9,340	11,163	(16.3)
Total revenue	374,973	376,220	(0.3)	86,083	105,305	(18.3)
Foreign exchange gain	7,353	3,300	122.8	2,931	511	473.6
<b>Total income</b>	<b>382,326</b>	<b>379,520</b>	0.7	<b>89,014</b>	<b>105,816</b>	(15.9)
<b><u>Costs and expenses</u></b>						
Commission expenses	(53,807)	(56,918)	(5.5)	(11,786)	(14,155)	(16.7)
Personnel expenses	(130,366)	(126,081)	3.4	(33,819)	(36,845)	(8.2)
Depreciation expenses	(9,018)	(8,948)	0.8	(2,296)	(2,327)	(1.3)
Allowance for impairment of goodwill	(1,049)	(294)	256.8	(252)	(188)	34.0
(Allowance) Write back of allowance for impairment of trade debtors & bad debts written off	(72)	141	N.M	(103)	34	N.M
Net fair value (loss) gain on financial assets / liabilities through profit or loss	(575)	(1)	N.M	36	(176)	N.M
Finance expenses	(36,978)	(31,662)	16.8	(12,022)	(11,106)	8.2
Other operating expenses	(64,073)	(65,696)	(2.5)	(15,710)	(16,222)	(3.2)
	<b>(295,938)</b>	<b>(289,459)</b>	2.2	<b>(75,952)</b>	<b>(80,985)</b>	(6.2)
<b>Profit before tax</b>	<b>86,388</b>	<b>90,061</b>	(4.1)	<b>13,062</b>	<b>24,831</b>	(47.4)
Income tax expense*	(10,592)	(12,538)	(15.5)	(1,738)	(2,669)	(34.9)
<b>Profit after tax</b>	<b>75,796</b>	<b>77,523</b>	(2.2)	<b>11,324</b>	<b>22,162</b>	(48.9)
<b>Other comprehensive income / (expense) (net of tax):</b>						
Foreign currency translation difference	10,432	(34,016)	N.M	(1,028)	(5,039)	(79.6)
Available-for-sale financial assets	-	7	N.M	-	-	N.M
Actuarial gain (loss) on defined benefit plan	473	(63)	N.M	473	(63)	N.M
	10,905	(34,072)	N.M	(555)	(5,102)	(89.1)
<b>Total comprehensive income for the period</b>	<b>86,701</b>	<b>43,451</b>	99.5	<b>10,769</b>	<b>17,060</b>	(36.9)

\*Under provision of taxation in respect of prior years in the 12 months ended 31 December 2018 is \$98,657. [12 months ended 31 December 2017: \$149,867]

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)*

	<b>The Group</b>					
	<b>12 months ended</b>	<b>12 months ended</b>	<b>Increase / (Decrease)</b>	<b>3 months ended</b>	<b>3 months ended</b>	<b>Increase / (Decrease)</b>
	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>%</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>%</b>
	<b>SS'000</b>	<b>SS'000</b>		<b>SS'000</b>	<b>SS'000</b>	
<b>Profit attributable to :</b>						
Owners of the Company	74,832	76,249	(1.9)	11,281	21,841	(48.3)
Non-controlling interests	964	1,274	(24.3)	43	321	(86.6)
	<b>75,796</b>	<b>77,523</b>	<b>(2.2)</b>	<b>11,324</b>	<b>22,162</b>	<b>(48.9)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	85,183	42,016	102.7	10,762	16,673	(35.5)
Non-controlling interests	1,518	1,435	5.8	7	387	(98.2)
	<b>86,701</b>	<b>43,451</b>	<b>99.5</b>	<b>10,769</b>	<b>17,060</b>	<b>(36.9)</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 31/12/2018 S\$'000	As at 31/12/2017 S\$'000 Restated **	As at 1/1/2017 S\$'000 Restated **	As at 31/12/2018 S\$'000	As at 31/12/2017 S\$'000
<b>ASSETS</b>					
<b><u>Current assets</u></b>					
Cash and bank balances	663,754	627,330	545,903	184	184
Outstanding contracts receivable	463,703	714,293	622,293	-	-
Trade receivables	2,044,683	1,868,915	1,477,873	-	-
Other financial assets, at fair value through profit or loss	35,766	31,721	38,404	-	-
Other current assets	48,123	47,821	40,185	70,679	76,126
Derivative financial instruments	40,922	2,325	1,658	-	-
<b>Total current assets</b>	<b>3,296,951</b>	<b>3,292,405</b>	<b>2,726,316</b>	<b>70,863</b>	<b>76,310</b>
<b><u>Non-current assets</u></b>					
Trade and other receivables	2,518	1,844	43,156	204	200
Goodwill	14,825	14,028	14,137	-	-
Subsidiaries	-	-	-	364,205	364,205
Available-for-sale investments	-	1,875	1,999	-	-
Other financial assets, at fair value through profit or loss	1,304	-	-	-	-
Trading rights in Exchanges	94	94	103	-	-
Memberships in Exchanges	225	220	219	-	-
Property, plant and equipment	36,689	40,924	45,365	-	-
Deferred tax assets	1,051	1,369	1,243	-	-
<b>Total non-current assets</b>	<b>56,706</b>	<b>60,354</b>	<b>106,222</b>	<b>364,409</b>	<b>364,405</b>
<b>Total assets</b>	<b>3,353,657</b>	<b>3,352,759</b>	<b>2,832,538</b>	<b>435,272</b>	<b>440,715</b>
<b>LIABILITIES AND EQUITY</b>					
<b><u>Current liabilities</u></b>					
Outstanding contracts payable	446,965	678,492	630,030	-	-
Trade and other payables	212,506	428,737	181,801	50,576	64,140
Borrowings	977,252	666,771	488,092	400	868
Debts issued	197,504	159,834	143,032	-	-
Other financial liabilities, at fair value through profit or loss	-	1	-	-	-
Income tax payable	7,781	7,764	8,492	77	18
Derivative financial instruments	40,945	2,315	1,016	-	-
<b>Total current liabilities</b>	<b>1,882,953</b>	<b>1,943,914</b>	<b>1,452,463</b>	<b>51,053</b>	<b>65,026</b>
<b><u>Non-current liabilities</u></b>					
Trade and other payables	-	2,011	167	-	-
Deferred tax liabilities	1,346	1,304	874	-	-
<b>Total non-current liabilities</b>	<b>1,346</b>	<b>3,315</b>	<b>1,041</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,884,299</b>	<b>1,947,229</b>	<b>1,453,504</b>	<b>51,053</b>	<b>65,026</b>

\*\* Comparative figures are restated on the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 1. Please refer to note 5 below for details on the financial impact from the adoption of SFRS(I)s.

**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. (continued)**

	The Group			The Company	
	As at 31/12/2018 S\$'000	As at 31/12/2017 S\$'000 Restated **	As at 1/1/2017 S\$'000 Restated **	As at 31/12/2018 S\$'000	As at 31/12/2017 S\$'000
<b>Equity</b>					
Capital, reserves and non-controlling interests					
Share capital	184,265	167,565	155,616	184,265	167,565
Reserves	(20,821)	(30,419)	2,923	-	-
Retained earnings	1,287,148	1,249,189	1,200,459	199,954	208,124
Equity attributable to owners of the Company	1,450,592	1,386,335	1,358,998	384,219	375,689
Non-controlling interests	18,766	19,195	20,036	-	-
Total equity	<b>1,469,358</b>	<b>1,405,530</b>	<b>1,379,034</b>	<b>384,219</b>	<b>375,689</b>
<b>Total liabilities and equity</b>	<b>3,353,657</b>	<b>3,352,759</b>	<b>2,832,538</b>	<b>435,272</b>	<b>440,715</b>
<b>Clients' trust / segregated accounts</b>					
Bank balances					
- with related parties	786,260	651,791	499,998	-	-
- with non-related banks	1,644,595	1,402,006	1,074,794	-	-
Margin with clearing houses	51,005	48,258	35,075	-	-
Debt securities	19,676	-	-	-	-
Less: Amounts held in trust	(2,501,536)	(2,102,055)	(1,609,867)	-	-
	-	-	-	-	-

\*\* Comparative figures are restated on the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 1. Please refer to note 5 below for details on the financial impact from the adoption of SFRS(I)s.

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

	The Group			
	As at 31/12/2018		As at 31/12/2017	
	Secured SS'000	Unsecured SS'000	Secured SS'000	Unsecured SS'000
Amounts repayable in one year or less, or on demand	977,174	78	660,177	6,594
Amounts repayable after one year	-	-	-	-
Debts issued	-	197,504	-	159,834

As at period end, the Group had debts issued amounting to S\$197,504,251 (December 2017: S\$159,834,274). 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\$977,173,564 (12 months ended 31 December 2017: S\$660,176,621) 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			
	12 months ended 31/12/2018	12 months ended 31/12/2017	3 months ended 31/12/2018	3 months ended 31/12/2017
	SS'000	SS'000	SS'000	SS'000
<b>Operating activities</b>				
Profit before income tax	86,388	90,061	13,062	24,831
Adjustments for:				
Depreciation expenses	9,018	8,948	2,296	2,327
Net (gain) loss on disposal of property, plant and equipment	(496)	(390)	-	27
Allowance (Write back of allowance) for trade receivables	99	(252)	112	(275)
Allowance for impairment in goodwill	1,049	294	252	188
Fair value loss on non-current financial assets at fair value through profit or loss	293	-	293	-
Dividend income from quoted / unquoted securities	(110)	(49)	(48)	1
Interest expenses	36,978	31,662	12,022	11,106
Exchange differences	2,062	7,629	314	1,380
Operating cash flow before working capital changes	135,281	137,903	28,303	39,585
Changes in operating assets and liabilities:				
Other financial assets / liabilities, at fair value through profit or loss	(3,797)	6,388	13,818	12,753
Trade, outstanding contracts and other receivables	74,059	(453,577)	(183,312)	(63,215)
Trade, outstanding contracts and other payables	(402,183)	285,281	(35,708)	85,376
Cash (used in) / generated from operations	(196,640)	(24,005)	(176,899)	74,499
Interest paid	(36,978)	(31,662)	(12,022)	(11,106)
Income tax paid	(10,215)	(13,036)	(2,016)	(1,799)
<b>Net cash (used in) / provided by operating activities</b>	(243,833)	(68,703)	(190,937)	61,594
<b>Investing activities</b>				
Payments for property, plant and equipment	(4,360)	(4,538)	(1,710)	(750)
Acquisition of business	(2,582)	-	(2,582)	-
Proceeds from disposal of property, plant and equipment	1,328	524	5	(1)
Dividends received from quoted / unquoted securities	110	49	48	(1)
<b>Net cash (used in) investing activities</b>	(5,504)	(3,965)	(4,239)	(752)
<b>Financing activities</b>				
Drawdown of short-term bank loans	313,979	169,839	171,500	84,227
Payment to non-controlling interests for additional interest in a subsidiary	(1,056)	(1,200)	2	(9)
Payment to non-controlling interests for dividend	(236)	(283)	-	-
Dividends paid	(21,366)	(15,472)	-	-
<b>Net cash from financing activities</b>	291,321	152,884	171,502	84,218

**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			
	12 months ended 31/12/2018	12 months ended 31/12/2017	3 months ended 31/12/2018	3 months ended 31/12/2017
	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	(2,062)	(7,629)	(314)	(1,380)
<b>Net increase / (decrease) in cash and cash equivalents during the financial period</b>	39,922	72,587	(23,988)	143,680
Cash and cash equivalents at beginning of the financial period	618,489	545,902	682,399	474,809
<b>Cash and cash equivalents at end of the financial period</b>	<b>658,411</b>	<b>618,489</b>	<b>658,411</b>	<b>618,489</b>

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

	The Group	
	As at 31/12/2018	As at 31/12/2017
	S\$'000	S\$'000
Cash and bank balances	663,754	627,330
Less: Bank overdrafts	(5,343)	(8,841)
Cash and cash equivalents per consolidated cash flow statement	<b>658,411</b>	<b>618,489</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 2018</b>	167,565	1,827	813	1,046	(34,105)	1,249,189	1,386,335	19,195	1,405,530
Impact of adopting SFRS(I) 9 (Note B)	-	-	-	(1,046)	-	831	(215)	-	(215)
Restated opening balance under SFRS(I) 1 & 9	<b>167,565</b>	<b>1,827</b>	<b>813</b>	-	<b>(34,105)</b>	<b>1,250,020</b>	<b>1,386,120</b>	<b>19,195</b>	<b>1,405,315</b>
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	74,832	74,832	964	75,796
Other comprehensive income	-	46	-	-	9,884	421	10,351	554	10,905
<b>Total</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>9,884</b>	<b>75,253</b>	<b>85,183</b>	<b>1,518</b>	<b>86,701</b>
Final Dividend for 2017 paid	16,700	-	-	-	-	(38,066)	(21,366)	-	(21,366)
Transfer to statutory reserve	-	59	-	-	-	(59)	-	-	-
Acquisition of additional interest in a subsidiary	-	25	630	-	-	-	655	(1,711)	(1,056)
Payment of dividends by a subsidiary	-	-	-	-	-	-	-	(236)	(236)
<b>Balance at 31 December 2018</b>	<b>184,265</b>	<b>1,957</b>	<b>1,443</b>	<b>-</b>	<b>(24,221)</b>	<b>1,287,148</b>	<b>1,450,592</b>	<b>18,766</b>	<b>1,469,358</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 2017</b>	<b>155,616</b>	<b>1,739</b>	<b>52</b>	<b>1,132</b>	<b>(23,720)</b>	<b>1,224,179</b>	<b>1,358,998</b>	<b>20,036</b>	<b>1,379,034</b>
Impact of adopting SFRS(I)1 (Note A)	-	-	-	-	23,720	(23,720)	-	-	-
Restated opening balance under SFRS(I) 1	<b>155,616</b>	<b>1,739</b>	<b>52</b>	<b>1,132</b>	<b>-</b>	<b>1,200,459</b>	<b>1,358,998</b>	<b>20,036</b>	<b>1,379,034</b>
Total comprehensive income for the year									
Profit for the period	-	-	-	-	-	76,249	76,249	1,274	77,523
Other comprehensive income	-	21	-	(86)	(34,105)	(63)	(34,233)	161	(34,072)
<b>Total</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>(86)</b>	<b>(34,105)</b>	<b>76,186</b>	<b>42,016</b>	<b>1,435</b>	<b>43,451</b>
Transfer to statutory reserve	-	35	-	-	-	(35)	-	-	-
Payment of dividend by subsidiary	-	-	-	-	-	-	-	(283)	(283)
Final dividend for 2016 paid	11,949	-	-	-	-	(27,421)	(15,472)	-	(15,472)
Acquisition of additional interest in a subsidiary	-	32	761	-	-	-	793	(1,993)	(1,200)
<b>Balance at 31 December 2017</b>	<b>167,565</b>	<b>1,827</b>	<b>813</b>	<b>1,046</b>	<b>(34,105)</b>	<b>1,249,189</b>	<b>1,386,335</b>	<b>19,195</b>	<b>1,405,530</b>

**Note A**

The Group has adopted SFRS(I) for the financial year ended 31 December 2018 and has applied SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company.

The Group has elected the optional exemption in SFRS(I) 1 to reset its cumulative Foreign Currency Translation Reserve (“FCTR”) for all foreign operations to NIL at the date of transition, and reclassify the cumulative FCTR debit balance as at 1 January 2017 of approximately S\$23.7 million as determined in accordance with the previous Financial Reporting Standards (FRS) at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition

**Note B**

The Group and Company has applied SFRS(I) 9 on 1 January 2018 and adopted the amendments to SFRS(I) 9 on the same date. Under SFRS(I) 9, equity investments securities held for long-term strategic purposes that are classified as available-for-sale under FRS 39 will be designated as fair value through profit or loss on 1 January 2018. Accordingly, “Available-for-sale investments” on the statement of financial position has been redesignated as “Other financial assets, at fair value through profit or loss”.



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 2018</b>	<b>167,565</b>	<b>208,124</b>	<b>375,689</b>
Total comprehensive income for the financial year	-	29,896	29,896
Final dividend for 2017 paid	16,692	(38,058)	(21,366)
Reclassification of dividend paid in prior years	8	(8)	-
<b>Balance at 31 December 2018</b>	<b>184,265</b>	<b>199,954</b>	<b>384,219</b>

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2017</b>	<b>155,616</b>	<b>198,652</b>	<b>354,268</b>
Total comprehensive loss for the financial year	-	36,893	36,893
Final dividend for 2016 paid	11,949	(27,421)	(15,472)
<b>Balance at 31 December 2017</b>	<b>167,565</b>	<b>208,124</b>	<b>375,689</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			
	12 months ended 31/12/2018	12 months ended 31/12/2017	3 months ended 31/12/2018	3 months ended 31/12/2017
<b>Balance at beginning of period</b>	<b>792,820,312</b>	<b>783,453,546</b>	<b>806,195,039</b>	<b>792,820,312</b>
Issue of shares under scrip dividend scheme	13,374,727	9,366,766	-	-
<b>Balance at end of period</b>	<b>806,195,039</b>	<b>792,820,312</b>	<b>806,195,039</b>	<b>792,820,312</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.

	31 December 2018	31 December 2017
No. of shares	806,195,039	792,820,312

**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.**

Other than the adoption of the new framework and the new SFRS(I)s which took effect from the current financial year as disclosed in note 5 below, 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 2017.

**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.**

In adopting the new SFRS(I) framework with effect from 1 January 2018, the Group and Company are required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards (International)*. In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, which took effect from the financial year beginning 1 January 2018:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*

Except for SFRS(I) 1 and SFRS(I) 9, the adoption of the above new SFRS(I)s is assessed to have no material impact to the results and financial position of the Group and of the Company for the year ending 31 December 2018.

**Impacts on initial application of SFRS (I)**

The following reconciliation summarises the impact on initial application of SFRS(I) 1 on the Group's financial statement

	<b>The Group</b>					
	<b>As at 1/1/2017</b>			<b>As at 31/12/2017</b>		
	<b>As previously stated</b>	<b>Effects of SFRS(I)</b>	<b>As restated</b>	<b>As previously stated</b>	<b>Effects of SFRS(I)</b>	<b>As restated</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>EQUITY</u></b>						
Reserves	(20,797)	23,720	2,923	(54,139)	23,720	(30,419)
Retained earnings	1,224,179	(23,720)	1,200,459	1,272,909	(23,720)	1,249,189

Please refer to the Statements of Changes in Equity for the Group in note 1(d)(i) for further details on the respective adjustments made in relation to SFRS(I) 1 and SFRS(I) 9.

- 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			
	12 months ended 31/12/2018	12 months ended 31/12/2017	3 months ended 31/12/2018	3 months ended 31/12/2017
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	9.35 cents	9.67 cents	1.40 cents	2.75 cents
(ii) On a fully diluted basis	9.35 cents	9.67 cents	1.40 cents	2.75 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 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	179.93 cents	174.86 cents	47.66 cents	47.39 cents

*Net asset value is derived after deducting 2.3 cents (December 2017: 2.4 cents) per share attributable to non-controlling interests.*

- 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

#### 4Q18 vs 4Q17

The Group recorded a pre-tax profit of \$13.1m and after tax profit of \$11.3m, a decline of 47.4% and 48.9% respectively. Market sentiment and trading volumes were generally lower across major markets where we have a presence. Investor sentiment turned cautious due to uncertainties caused by trade tensions. In line with lower market volumes, commission income decline 31.2% from \$66.1m to \$45.5m.

Interest income rose from \$28.1m to \$31.2m as a result of higher margin financing activities in Hong Kong. Other operating revenue reduced by 16.3% from \$11.2m to \$9.3m with lower corporate finance activities.

Total costs and expenses reduced 6.2% from \$81.0m to \$76.0m. Commissions paid to commission agents decreased by 16.7% to \$11.8m from \$14.2m and personnel expenses, which included incentives paid to employed dealers, decreased 8.2% from \$36.8m to \$33.8m with lower commission income. Finance expenses were higher due to higher funding requirements and rising interest rates.

- 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. (continued)**

## **FY18 vs FY17**

Trading volumes across regional markets where we operate started the year strongly but investor sentiment turned cautious in the second half of the year, especially in the last quarter arising from trade tensions and rising interest rate environment. The Group's full year pre-tax profit decreased 4.1% from \$90.1m to \$86.4m and after tax profit decreased slightly by 2.2% from \$77.5m to \$75.8m.

Commission income declined by 5.0% from \$250.5m to \$238.1m. Interest income rose 13.5% from \$97.7m to \$110.9m with more lending activities. Other operating income reduced 7.5% from \$28m to \$25.9m with lower corporate finance activities.

Commission expenses fell 5.5% from \$56.9m to \$53.8m while personnel expenses increased slightly by 3.4% from \$126.1m to \$130.4m. An impairment allowance of \$1.0m was made to write down the goodwill in the Thai subsidiary. Finance expenses increased 16.8% from \$31.7m to \$37.0m mainly due to higher lending activities and rising interest rates.

## **Balance Sheet**

As of 31 December 2018 our Group's net assets were \$1.47b (2017: \$1.41b)

There were no significant changes in the composition of Group balance sheet items except for trade related balances.

- 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.**

The confluence of expected interest rate increases and escalating trade tensions in the second half of 2018 had a significant adverse effect on trading volumes across the region in 4Q 2018. Towards the end of 2018 a more dovish tone from US Federal Reserve and more encouraging US-Sino rhetoric has brought some relief to the markets in January and February 2019 where we saw regional markets rally.

However we expect market uncertainties to be a feature of 2019 within global economies to prevail over regional stock markets in which we operate. As such we remain cautious on our business prospects 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?*

*Yes*

The Directors are pleased to propose that a first and final one-tier tax exempt dividend of 4.7 cents per share be paid for the financial year ended 31 December 2018 and the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme will be applicable to this proposed 2018 first and final dividend.

Name of Dividend	First and Final
Dividend Type	Cash / Scrip
Dividend Amount per	4.7 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

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

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

*None*

Name of Dividend	First and Final
Dividend Type	Cash / Scrip
Dividend Amount per	4.8 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

**(c) Date payable**

The proposed first and final ordinary dividend will be paid on 21 June 2019, subject to the approval of the shareholders of the Company at the Annual General Meeting to be convened at 5.30 p.m. on 26 April 2019 at the Auditorium, 8 Anthony Road, Singapore 229957.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders to the proposed first and final dividend at the Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 7 May 2019 for the purpose of determining shareholders' entitlement to the proposed first and final dividend. The UOB-Kay Hian Holdings Limited Scrip Dividend Scheme will be applicable to this proposed first and final dividend. Shareholders entitled to the dividend will be eligible to participate in the Scheme subject to the terms and conditions of the Scheme.

Duly completed registered transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 up to the close of business at 5.00 p.m. on 6 May 2019, will be registered to determine shareholders' entitlement to the proposed first and final dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with Shares at 5.00 p.m. on 6 May 2019 will be entitled to the proposed first and final dividend.

Shareholders with Foreign Addresses

Shareholders with registered addresses outside Singapore and who have not provided to the Company or CDP, addresses in Singapore for the service of notices and documents by 23 April 2019 will not be eligible to participate in the Scheme.

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

Not applicable

**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 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	The Group					
	Singapore	Hong Kong	Thailand	2018 Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>						
External sales	127,419	70,177	33,931	32,556	-	264,083
Interest income	51,302	46,800	6,704	6,084	-	110,890
Inter-segmental sales	8,289	(653)	2,625	4,391	(14,652)	-
	<u>187,010</u>	<u>116,324</u>	<u>43,260</u>	<u>43,031</u>	<u>(14,652)</u>	<u>374,973</u>
Profit before tax	38,735	32,719	8,394	7,296	(756)	86,388
Income tax expense						<u>(10,592)</u>
<b>Profit after tax</b>						<u><b>75,796</b></u>
Segment assets	1,662,944	1,402,452	232,959	240,915	(186,664)	3,352,606
Deferred tax assets						<u>1,051</u>
<b>Consolidated total assets</b>						<u><b>3,353,657</b></u>
Segment liabilities	840,694	969,569	87,470	93,202	(115,763)	1,875,172
Current tax liabilities						7,781
Deferred tax liabilities						<u>1,346</u>
<b>Consolidated total liabilities</b>						<u><b>1,884,299</b></u>
<b>Other segment items</b>						
Goodwill	-	-	14,825	-	-	14,825
Finance expense	24,780	11,218	682	298	-	36,978
Capital expenditure	1,203	809	1,458	890	-	4,360
Depreciation expenses	<u>6,173</u>	<u>353</u>	<u>1,769</u>	<u>723</u>	<u>-</u>	<u>9,018</u>

**14 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued)**

	The Group					Total S\$'000
	Singapore S\$'000	Hong Kong S\$'000	Thailand S\$'000	2017 Others S\$'000	Elimination S\$'000	
<b>Revenue</b>						
External sales	143,797	69,509	36,895	28,346	-	278,547
Interest income	56,511	28,318	7,841	5,003	-	97,673
Inter-segmental sales	8,381	(817)	1,824	5,397	(14,785)	-
	<u>208,689</u>	<u>97,010</u>	<u>46,560</u>	<u>38,746</u>	<u>(14,785)</u>	<u>376,220</u>
Profit before tax	49,386	25,311	10,967	5,261	(864)	90,061
Income tax expense						<u>(12,538)</u>
<b>Profit after tax</b>						<u><b>77,523</b></u>
Segment assets	2,028,805	977,766	259,134	274,930	(189,245)	3,351,390
Deferred tax assets						<u>1,369</u>
<b>Consolidated total assets</b>						<u><b>3,352,759</b></u>
Segment liabilities	1,228,797	585,375	122,511	144,664	(143,186)	1,938,161
Current tax liabilities						<u>7,764</u>
Deferred tax liabilities						<u>1,304</u>
<b>Consolidated total liabilities</b>						<u><b>1,947,229</b></u>
<b>Other segment items</b>						
Goodwill	-	-	14,028	-	-	14,028
Finance expense	26,063	4,055	894	650	-	31,662
Capital expenditure	2,264	268	1,058	948	-	4,538
Depreciation expenses	<u>6,137</u>	<u>302</u>	<u>1,705</u>	<u>804</u>	<u>-</u>	<u>8,948</u>

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

See Note 8.

**16 Breakdown of revenue**

	<b>The Group</b>		<b>% Increase / (Decrease)</b>
	<b>For the year ended 31/12/2018</b>	<b>For the year ended 31/12/2017</b>	
Revenue reported for first half year	205,510	178,959	14.8
Operating profit after tax but before non-controlling interests reported for first half year	46,459	36,921	25.8
Revenue reported for second half year	169,463	197,261	(14.1)
Operating profit after tax but before non-controlling interests reported for second half year	29,337	40,602	(27.7)

**17 Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	<b>2018 S\$'000</b>	<b>2017 S\$'000</b>
Ordinary	37,891	38,055
Preference	-	-
<b>Total</b>	<b>37,891</b>	<b>38,055</b>

**18 Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).



**19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11).**

Name	Age	Family relationship with any director, CEO and / or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lim Seng Bee	53	Brother-in-law of Wee Ee Chao (Chairman and substantial shareholder)	Senior Executive Director of UOB Kay Hian Private Limited since January 2013 <ul style="list-style-type: none"> <li>- involved in general management of the Singapore operations</li> <li>- responsible for the management of the regional business in North Asia</li> </ul>	N.A

**BY ORDER OF THE BOARD**

**Wee Ee-chao**  
**Managing Director**  
**28 February 2019**