

# UOB KayHian

**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Third Quarter Ended 30 September 2007

(Co. Ref. No. 200004464C)

These figures have not been audited.

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

	The Group					
	9 months ended	9 months ended	Increase / (Decrease)	3 months ended	3 months ended	Increase / (Decrease)
	30/9/2007	30/9/2006	%	30/9/2007	30/9/2006	%
	SS'000	SS'000		SS'000	SS'000	
<b>Revenue</b>						
Commission income	499,844	251,007	99.1	174,883	67,909	157.5
Interest income	71,435	33,166	115.4	28,353	12,080	134.7
Dividend from quoted securities	380	282	34.8	1	6	(83.3)
Facility, shares withdrawal and arrangement fees	3,976	7,120	(44.2)	3,186	5,487	(41.9)
Other operating revenue	5,205	3,806	36.8	3,047	877	247.4
<b>Total revenue</b>	<b>580,840</b>	<b>295,381</b>	<b>96.6</b>	<b>209,470</b>	<b>86,359</b>	<b>142.6</b>
Foreign exchange gain	8,576	1,997	329.4	2,071	1,021	102.8
Realised gain on financial assets, available-for-sale	18,716	19,282	(2.9)	4,992	-	N.M.
<b>Total income</b>	<b>608,132</b>	<b>316,660</b>	<b>92.0</b>	<b>216,533</b>	<b>87,380</b>	<b>147.8</b>
<b>Costs and expenses</b>						
Commission expenses	(130,042)	(59,139)	119.9	(49,941)	(15,715)	217.8
Personnel expenses	(145,859)	(85,786)	70.0	(49,759)	(29,434)	69.1
Depreciation and amortisation expenses	(2,191)	(2,908)	(24.7)	(677)	(896)	(24.4)
Allowance/(writeback) on impairment of trade debtors & bad debts written off	(525)	214	(345.3)	(338)	(86)	293.0
Allowance for impairment of investment in associated companies	-	(1,000)	N.M.	-	-	N.M.
Net fair value gain/(loss) on financial assets/liabilities through profit or loss	(633)	165	(483.6)	(754)	95	(893.7)
Finance expenses	(31,492)	(7,485)	320.7	(13,523)	(2,346)	476.4
Other operating expenses	(43,162)	(35,883)	20.3	(16,095)	(10,956)	46.9
	<b>(353,904)</b>	<b>(191,822)</b>	<b>84.5</b>	<b>(131,087)</b>	<b>(59,338)</b>	<b>120.9</b>
<b>Profit from operations</b>	<b>254,228</b>	<b>124,838</b>	<b>103.6</b>	<b>85,446</b>	<b>28,042</b>	<b>204.7</b>
Share of results of associated companies after tax	119	886	(86.6)	(26)	123	(121.1)
<b>Profit before tax</b>	<b>254,347</b>	<b>125,724</b>	<b>102.3</b>	<b>85,420</b>	<b>28,165</b>	<b>203.3</b>
Income tax expense*	(41,767)	(21,340)	95.7	(14,355)	(5,729)	150.6
<b>Profit after tax</b>	<b>212,580</b>	<b>104,384</b>	<b>103.7</b>	<b>71,065</b>	<b>22,436</b>	<b>216.7</b>
<b>Attributable to :</b>						
Equity holders of the Company	211,369	102,923	105.4	70,496	22,091	219.1
Minority interests	1,211	1,461	(17.1)	569	345	64.9
	<b>212,580</b>	<b>104,384</b>	<b>103.7</b>	<b>71,065</b>	<b>22,436</b>	<b>216.7</b>

\* Overprovision of taxation in respect of prior years in the 9 months ended 30 September 2007 is \$4,637. (9 months ended 30 September 2006: \$187,470)

N.M. = Not Meaningful.

**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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30/9/2007</b>	<b>As at 31/12/2006</b>	<b>As at 30/9/2007</b>	<b>As at 31/12/2006</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and cash equivalents	145,527	133,092	1,113	17,260
Outstanding contracts receivable	3,150,449	1,447,527	-	-
Trade receivables	2,792,661	1,038,906	-	-
Financial assets at fair value through profit or loss	4,133	9,001	-	-
Other current assets	37,961	34,599	19,350	169,358
Derivative financial instruments	68	11	-	-
	<b>6,130,799</b>	<b>2,663,136</b>	<b>20,463</b>	<b>186,618</b>
<b><u>Non-current assets</u></b>				
Loans to subsidiaries	-	-	32,160	32,402
Investments				
- in subsidiaries	-	-	164,486	178,577
- in associated companies	862	14,271	-	2,648
Financial assets, available-for-sale	38,299	28,344	-	-
Trading rights in Exchanges	110	109	-	-
Memberships in Exchanges	26	26	-	-
Property, plant and equipment	4,643	4,146	-	-
Deferred income tax assets	49	36	-	-
	<b>43,989</b>	<b>46,932</b>	<b>196,646</b>	<b>213,627</b>
<b>Total assets</b>	<b>6,174,788</b>	<b>2,710,068</b>	<b>217,109</b>	<b>400,245</b>
<b>LIABILITIES</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	3,038,927	1,426,208	-	-
Trade and other payables	190,081	88,400	35,549	17,146
Financial liabilities at fair value through profit or loss	217	71	-	-
Borrowings	1,972,325	338,518	-	98,811
Current income tax liabilities	45,929	31,347	293	298
Derivative financial instruments	69	15	-	-
	<b>5,247,548</b>	<b>1,884,559</b>	<b>35,842</b>	<b>116,255</b>
<b><u>Non-current liabilities</u></b>				
Deferred income tax liabilities	725	724	-	-
<b>Total liabilities</b>	<b>5,248,273</b>	<b>1,885,283</b>	<b>35,842</b>	<b>116,255</b>
<b>Net assets</b>	<b>926,515</b>	<b>824,785</b>	<b>181,267</b>	<b>283,990</b>
<b><u>EQUITY</u></b>				
Share capital	72,471	72,471	72,471	72,471
Reserves	27,360	21,170	-	-
Retained earnings	812,211	716,947	108,796	211,519
	<b>912,042</b>	<b>810,588</b>	<b>181,267</b>	<b>283,990</b>
Minority interests	14,473	14,197	-	-
<b>Total Equity</b>	<b>926,515</b>	<b>824,785</b>	<b>181,267</b>	<b>283,990</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with affiliated corporations	247,229	143,366	-	-
- with non-related banks	392,875	329,518	-	-
Margin with clearing houses	3,066	5,414	-	-
Less: Amounts held in trust	(643,170)	(478,298)	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	The Group			
	As at 30/9/2007		As at 31/12/2006	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	548,050	1,424,275	157,369	181,149
Amounts repayable after one year	-	-	-	-

### Details of any collateral

Details of secured group borrowings are as follows:

- Bank overdrafts of subsidiaries amounting to S\$66,313,753 are secured by a fixed charge over immovable fixed assets and a floating charge over all assets of the subsidiaries.
- Bank borrowings of subsidiaries amounting to S\$481,736,705 are secured by a fixed charge over immovable fixed assets and a floating charge over all assets of subsidiaries.

## 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			
	9 months ended 30/9/2007 S\$'000	9 months ended 30/9/2006 S\$'000	3 months ended 30/9/2007 S\$'000	3 months ended 30/9/2006 S\$'000
	<b>Cash flows from operating activities</b>			
Profit before tax and after share of results of associated companies	254,347	125,724	85,420	28,165
Adjustments for:				
Share of results of associated companies	(119)	(886)	26	(123)
Depreciation and amortisation expenses	2,191	2,908	677	896
(Gain)/Loss on disposal of property, plant and equipment	(49)	7	(31)	-
Realised gain on sale of financial assets, available-for-sale	(18,716)	(19,282)	(4,992)	-
Dividend income from quoted securities	(380)	(282)	(1)	(6)
Allowance for impairment of investment in associated companies	-	1,000	-	-
Interest income	(71,435)	(33,166)	(28,353)	(12,080)
Finance expenses	31,492	7,485	13,523	2,346
Exchange differences	(1,441)	238	(4,321)	992
Operating cash flow before working capital changes	195,890	83,746	61,948	20,190
Changes in operating assets and liabilities:				
Financial assets/liabilities at fair value through profit or loss	5,013	(6,581)	1,998	(8,949)
Debtors and outstanding contracts receivable	(3,448,807)	(835,559)	(1,275,448)	(404,528)
Creditors and outstanding contracts payable	1,714,439	394,996	616,589	58,135
Cash (used in)/generated from operations	(1,533,465)	(363,398)	(594,913)	(335,152)
Interest received	71,435	33,166	28,353	12,080
Interest paid	(31,492)	(7,485)	(13,523)	(2,346)
Drawdown/(Repayment) of short-term bank loans	1,571,019	266,825	589,377	301,029
Income tax paid	(27,398)	(15,939)	(12,770)	(7,510)
<b>Net cash provided by/(used in) operating activities</b>	<b>50,099</b>	<b>(86,831)</b>	<b>(3,476)</b>	<b>(31,899)</b>
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	(2,683)	(1,102)	(1,515)	(222)
Proceeds from sale of financial assets, available-for-sale	19,329	21,926	5,110	-
Proceeds from disposal of property, plant and equipment	53	(3)	31	(3)
Proceeds from redemption of preference shares in associated company	-	10,000	-	10,000
Payment for financial assets, available-for-sale	(3,055)	-	(3,055)	-
Payment to minority interest for dividend	(340)	(372)	-	-
Payment to minority interest for additional interest in a subsidiary	(852)	(1,683)	16	(57)
Proceeds from associated company on partial distribution of surplus funds	2,620	-	2,620	-
Acquisition of subsidiary [Note (a)] :				
Net tangible assets acquired	23,774	-	-	-
Less : Net tangible assets other than cash and cash equivalents	(10,803)	-	-	-
Cash and cash equivalents acquired on acquisition of subsidiary	12,971	-	-	-
Cash consideration paid to acquire subsidiary	(11,815)	-	-	-
Dividends received from quoted securities	380	282	1	6
Dividends received from associated company	-	13,577	-	265
<b>Net cash provided by investing activities</b>	<b>16,608</b>	<b>42,625</b>	<b>3,208</b>	<b>9,989</b>
<b>Cash flows from financing activities</b>				
Dividends paid	(115,881)	(57,977)	(53,484)	(11,596)
<b>Net cash used in financing activities</b>	<b>(115,881)</b>	<b>(57,977)</b>	<b>(53,484)</b>	<b>(11,596)</b>
<b>Net decrease in cash and cash equivalents during the financial period</b>	<b>(49,174)</b>	<b>(102,183)</b>	<b>(53,752)</b>	<b>(33,506)</b>
Cash and cash equivalents at beginning of the financial period	119,932	220,164	124,510	151,487
<b>Cash and cash equivalents at end of the financial period</b>	<b>70,758</b>	<b>117,981</b>	<b>70,758</b>	<b>117,981</b>

**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)**

Note (a) : Acquisition of subsidiary

The net tangible assets of subsidiary acquired by the Group during the financial period were as follows :

	S\$'000
Debtors and Other Receivables	11,288
Creditors and Other Payables	(15)
Provision for tax	(470)
	<hr/> 10,803
Cash and cash equivalents	12,971
Net tangible assets of subsidiary acquired	<hr/> <hr/> 23,774

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

	The Group	
	As at 30/9/2007	As at 30/9/2006
	S\$'000	S\$'000
Cash and bank balances	145,527	119,766
Less: Bank overdrafts	(74,769)	(1,785)
Cash and cash equivalents per consolidated cash flow statement	<hr/> 70,758	<hr/> 117,981

**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	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Minority interests S\$'000	Total Equity S\$'000
<b>Balance at 1 January 2007</b>	72,471	1,036	26,597	(6,463)	716,947	14,197	824,785
Fair value gains on financial assets, available-for-sale	-	-	4,943	-	-	(1)	4,942
Currency translation differences	-	21	6	(250)	-	250	27
Net gain/(loss) recognised directly in equity	-	21	4,949	(250)	-	249	4,969
Net profit for the first quarter	-	-	-	-	61,190	232	61,422
Total recognized gain/(loss) for the first quarter	-	21	4,949	(250)	61,190	481	66,391
Fair value gains transferred to income statement on realisation	-	-	(6,552)	-	-	-	(6,552)
Transfer from retained earnings to statutory reserve	-	52	-	-	(39)	(13)	-
Acquisition of additional interest in subsidiary	-	-	-	31	-	(635)	(604)
<b>Balance at 31 March 2007</b>	<hr/> 72,471	<hr/> 1,109	<hr/> 24,994	<hr/> (6,682)	<hr/> 778,098	<hr/> 14,030	<hr/> 884,020

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	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Minority interests S\$'000	Total Equity S\$'000
<b>Balance at 31 March 2007</b>	72,471	1,109	24,994	(6,682)	778,098	14,030	884,020
Fair value gains on financial assets, available-for-sale	-	-	12,065	-	-	16	12,081
Currency translation differences	-	26	26	2,412	-	324	2,788
Net gain recognised directly in equity	-	26	12,091	2,412	-	340	14,869
Net profit for the second quarter	-	-	-	-	79,683	410	80,093
Total recognised gain for the second quarter	-	26	12,091	2,412	79,683	750	94,962
Fair value gains transferred to income statement on realisation	-	-	(7,172)	-	-	-	(7,172)
Final dividend for 2006 paid	-	-	-	-	(62,397)	-	(62,397)
Transfer from retained earnings to statutory reserve	-	68	-	-	(63)	(5)	-
Acquisition of additional interest in subsidiary	-	-	-	30	-	(233)	(203)
Payment of dividends by a subsidiary	-	-	-	-	-	(340)	(340)
<b>Balance at 30 June 2007</b>	<b>72,471</b>	<b>1,203</b>	<b>29,913</b>	<b>(4,240)</b>	<b>795,321</b>	<b>14,202</b>	<b>908,870</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	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Minority interests S\$'000	Total Equity S\$'000
<b>Balance at 30 June 2007</b>	72,471	1,203	29,913	(4,240)	795,321	14,202	908,870
Fair value gains on financial assets, available-for-sale	-	-	9,149	-	-	17	9,166
Currency translation differences	-	(23)	(4)	(3,753)	-	(331)	(4,111)
Net gain recognised directly in equity	-	(23)	9,145	(3,753)	-	(314)	5,055
Net profit for the third quarter	-	-	-	-	70,496	569	71,065
<b>Total recognised gain for the third quarter</b>	-	(23)	9,145	(3,753)	70,496	255	76,120
Fair value gains transferred to income statement on realisation	-	-	(4,991)	-	-	-	(4,991)
Interim dividend for 2007 paid	-	-	-	-	(53,484)	-	(53,484)
Transfer from retained earnings to statutory reserve	-	122	-	-	(122)	-	-
Acquisition of additional interest in subsidiary	-	-	-	(16)	-	16	-
<b>Balance at 30 September 2007</b>	<b>72,471</b>	<b>1,302</b>	<b>34,067</b>	<b>(8,009)</b>	<b>812,211</b>	<b>14,473</b>	<b>926,515</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	Capital reserve S\$'000	Capital reserve on consolidation S\$'000	Statutory reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Minority interests S\$'000	Total Equity S\$'000
<b>Balance at 1 January 2006</b>	72,471	154,206	71,271	640	25,228	(4,099)	412,960	13,486	746,163
Fair value gains on financial assets, available-for-sale	-	-	-	-	11,052	-	-	-	11,052
Currency translation differences	-	-	-	-	-	259	-	435	694
Net gain recognised directly in equity	-	-	-	-	11,052	259	-	435	11,746
Net profit for the first quarter	-	-	-	-	-	-	32,447	684	33,131
Total recognised gain for the first quarter	-	-	-	-	11,052	259	32,447	1,119	44,877
Fair value gains transferred to income statement on realisation	-	-	-	-	(3,345)	-	-	-	(3,345)
Transfer from retained earnings to statutory reserve	-	-	-	147	-	-	(147)	-	-
<b>Balance at 31 March 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>71,271</b>	<b>787</b>	<b>32,935</b>	<b>(3,840)</b>	<b>445,260</b>	<b>14,605</b>	<b>787,695</b>
Fair value gains on financial assets, available-for-sale	-	-	-	-	(319)	-	-	4	(315)
Currency translation differences	-	-	-	17	(4)	(1,730)	-	(97)	(1,814)
Net gain/(loss) recognised directly in equity	-	-	-	17	(323)	(1,730)	-	(93)	(2,129)
Net profit for the second quarter	-	-	-	-	-	-	48,384	433	48,817
Total recognised gain/(loss) for the second quarter	-	-	-	17	(323)	(1,730)	48,384	340	46,688
Fair value gains transferred to income statement on realisation	-	-	-	-	(15,937)	-	-	-	(15,937)
Final dividend for 2005 paid	-	-	-	-	-	-	(46,381)	-	(46,381)
Transfer from retained earnings to statutory reserve	-	-	-	60	-	-	(42)	(18)	-
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	(1,271)	(1,271)
Payment of dividends by a subsidiary	-	-	-	-	-	-	-	(372)	(372)
<b>Balance at 30 June 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>71,271</b>	<b>864</b>	<b>16,675</b>	<b>(5,570)</b>	<b>447,221</b>	<b>13,284</b>	<b>770,422</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	Capital reserve S\$'000	Capital reserve on consolidation S\$'000	Statutory reserve S\$'000	Fair value reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Minority interests S\$'000	Total Equity S\$'000
<b>Balance at 30 June 2006</b>	72,471	154,206	71,271	864	16,675	(5,570)	447,221	13,284	770,422
Fair value gains on financial assets, available-for-sale	-	-	-	-	4,534	-	-	1	4,535
Currency translation differences	-	-	-	12	13	795	-	231	1,051
Net gain recognised directly in equity	-	-	-	12	4,547	795	-	232	5,586
Net profit for the third quarter	-	-	-	-	-	-	22,092	345	22,437
Total recognised gain for the third quarter	-	-	-	12	4,547	795	22,092	577	28,023
Interim Dividend for 2006 paid	-	-	-	-	-	-	(11,596)	-	(11,596)
Transfer from retained earnings to statutory reserve	-	-	-	73	-	-	(71)	(2)	-
Acquisition of additional interest in a subsidiary	-	-	-	-	-	(3)	-	(52)	(55)
<b>Balance at 30 September 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>71,271</b>	<b>949</b>	<b>21,222</b>	<b>(4,778)</b>	<b>457,646</b>	<b>13,807</b>	<b>786,794</b>

## STATEMENT OF CHANGES IN EQUITY – THE COMPANY

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2007</b>	72,471	211,519	283,990
Net profit for the first quarter	-	135	135
<b>Balance at 31 March 2007</b>	<b>72,471</b>	<b>211,654</b>	<b>284,125</b>
Net profit for the second quarter	-	1,005	1,005
Final dividend for 2006 paid	-	(62,397)	(62,397)
<b>Balance at 30 June 2007</b>	<b>72,471</b>	<b>150,262</b>	<b>222,733</b>
Net profit for the third quarter	-	12,018	12,018
Interim dividend for 2007 paid	-	(53,484)	(53,484)
<b>Balance at 30 September 2007</b>	<b>72,471</b>	<b>108,796</b>	<b>181,267</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)*

	Share Capital S\$'000	Capital Reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2006</b>	72,471	154,206	166,635	393,312
Net profit for the first quarter	-	-	210	210
<b>Balance at 31 March 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>166,845</b>	<b>393,522</b>
Net profit for the second quarter	-	-	14,570	14,570
Final dividend for 2005 paid	-	-	(46,381)	(46,381)
<b>Balance at 30 June 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>135,034</b>	<b>361,711</b>
Net profit for the third quarter	-	-	5,530	5,530
Interim dividend for 2006 paid	-	-	(11,596)	(11,596)
<b>Balance at 30 September 2006</b>	<b>72,471</b>	<b>154,206</b>	<b>128,968</b>	<b>355,645</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 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.

NIL

**1(e) 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 results for the quarter ended 30 September 2007 to be false or misleading

On behalf of the Board of Directors

Wee Ee-chao  
Managing Director

Tang Wee Loke  
Deputy Managing Director

**2 Whether the figures have been audited, or reviewed and in accordance with which standard (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 2006.

**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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	The Group	
	3 months ended 30/9/2007	3 months ended 30/9/2006
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	9.73 cents	3.05 cents
(ii) On a fully diluted basis	9.73 cents	3.05 cents

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 30/9/2007	As at 31/12/2006	As at 30/9/2007	As at 31/12/2006
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	125.85 cents	111.85 cents	25.01 cents	39.19 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**

The directors are pleased to announce that the Group made a net profit after taxation and minority interests of S\$70.5million for the 3<sup>rd</sup> quarter ended 30 September 2007. This is approximately 3.2 times of the profit achieved in the corresponding quarter of the previous year.

Good trading activities continued from 1<sup>st</sup> half of the year to the 3<sup>rd</sup> quarter. This led to an increase in commission income from S\$67.9million in 3<sup>rd</sup> quarter 2006 to S\$174.9million in 3<sup>rd</sup> quarter 2007. Interest income, which is mainly from margin financing, has also increased significantly by 134.7% compared to 3<sup>rd</sup> quarter of 2006. In addition, the Group also disposed part of its available-for-sale financial assets, yielding a profit of S\$5.0million. There was no such disposal in corresponding quarter ended 30 September 2006.

Increases in costs and expenses were in line with increases in revenue. The increase of 476.4% in finance expenses over the corresponding quarter is in line with the higher borrowing required to fund the increase in stockbroking activities and margin portfolio.

- 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)**

**Balance Sheet**

The Group's net asset and shareholder's equity increased to S\$926.5million, from S\$824.8million as of 31 December 2006. This is in line with the profit achieved during the first 3 quarters of this year, after paying a net dividend of S\$53.5million in September 2007

Higher trade receivables balances as of 30 September 2007 was mainly due to the bigger margin portfolio and stockbroking activities.

The decrease in investment in associated companies from \$14.3million as at 31 December 2006 to \$0.9million as at 30 September 2007 was due mainly to the conversion of an associated company to a subsidiary company. This was achieved through the purchase of the remaining shares in the associated company.

The higher borrowing as at 30 September 2007 was necessary to fund the increase in stockbroking activities and margin portfolio, of which approximately 84% was for short-term IPO financing in Hong Kong.

- 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.**

There was resilience in the 3<sup>rd</sup> quarter, weathering concerns about the fallout in the US sub-prime mortgage market and high oil prices. Although share prices fell in August, they recovered to reach record levels in September. Prices subsequently eased and the STI ended the 3<sup>rd</sup> quarter at 3805, a shade off the record high of 3906. We expect market sentiment to swing from exuberance caused by surplus liquidity and positive economic outlook in Asia to caution caused by possible economic recession and falling housing prices in US and record high oil prices.

- 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/recommended, a statement to that effect.**

No dividend has been declared / recommended for the quarter ended 30 September 2007.

**BY ORDER OF THE BOARD**

**Tang Wee Loke**  
**Deputy Managing Director**  
**13 November 2007**