



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For First Quarter Ended 31 March 2012

(Co. Ref. No. 200004464C)

These figures have not been audited.

- 1(a) 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		
	3 months ended 31/03/2012 S\$'000	3 months ended 31/03/2011 S\$'000	Increase / (Decrease) %
<b><u>Revenue</u></b>			
Commission income	65,845	85,599	(23.1)
Interest income	14,910	18,332	(18.7)
Dividend from quoted / unquoted securities	40	330	(87.9)
Other operating revenue	4,322	3,184	35.7
Total revenue	85,117	107,445	(20.8)
Foreign exchange gain	543	1,246	(56.4)
<b>Total income</b>	<b>85,660</b>	<b>108,691</b>	(21.2)
<b><u>Costs and expenses</u></b>			
Commission expenses	(16,106)	(21,625)	(25.5)
Personnel expenses	(23,535)	(30,201)	(22.1)
Depreciation expenses	(2,493)	(2,337)	6.7
Write back of / (Allowance for) impairment of trade debtors & bad debts written off	21	(54)	(138.9)
Net fair value gain on financial assets / liabilities through profit or loss	1,505	7	N.M
Finance expenses	(3,161)	(3,599)	(12.2)
Other operating expenses	(15,071)	(12,836)	17.4
	<b>(58,840)</b>	<b>(70,645)</b>	(16.7)
<b>Profit before tax</b>	<b>26,820</b>	<b>38,046</b>	(29.5)
Income tax expense*	(3,184)	(6,576)	(51.6)
<b>Profit after tax</b>	<b>23,636</b>	<b>31,470</b>	(24.9)
<b><u>Other comprehensive (expense) / income (net of tax):</u></b>			
Foreign currency translation difference	(10,639)	(7,868)	(35.2)
Available-for-sale financial assets	1,067	(218)	589.4
	<b>(9,572)</b>	<b>(8,086)</b>	(18.4)
<b>Total comprehensive income for the period</b>	<b>14,064</b>	<b>23,384</b>	(39.9)

\*Overprovision of taxation in respect of prior years in the 3 months ended 31 March 2012 is S\$10,977. (3 months ended 31 March 2011: S\$10,020)

N.M. = Not Meaningful.

- 1(a) 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>3 months ended 31/03/2012</b>	<b>3 months ended 31/03/2011</b>	<b>Increase / (Decrease) %</b>
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Profit attributable to:</b>			
Owners of the Company	23,158	31,076	(25.5)
Non-controlling interests	478	394	21.3
	<b>23,636</b>	<b>31,470</b>	(24.9)
 <b>Total comprehensive income attributable to:</b>			
Owners of the Company	13,789	23,499	(41.3)
Non-controlling interests	275	(115)	339.1
	<b>14,064</b>	<b>23,384</b>	(39.9)

**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 31/03/2012</b>	<b>As at 31/12/2011</b>	<b>As at 31/03/2012</b>	<b>As at 31/12/2011</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 bank balances	204,378	357,746	133	5,228
Outstanding contracts receivable	865,159	404,040	-	-
Trade receivables	1,423,116	1,229,849	-	-
Other financial assets, at fair value through profit or loss	30,202	30,149	-	-
Other current assets	26,819	22,873	32,056	19,778
Derivative financial instruments	13	14	-	-
Total current assets	2,549,687	2,044,671	32,189	25,006
<b><u>Non-current assets</u></b>				
Trade receivables	17,591	79,292	-	-
Goodwill	5,141	5,188	-	-
Subsidiaries	-	-	243,273	243,273
Financial assets, available-for-sale	18,034	13,821	-	-
Trading rights in Exchanges	95	97	-	-
Memberships in Exchanges	405	441	-	-
Property, plant and equipment	63,755	65,231	-	-
Deferred tax assets	1,367	724	-	-
Total non-current assets	106,388	164,794	243,273	243,273
<b>Total assets</b>	<b>2,656,075</b>	<b>2,209,465</b>	<b>275,462</b>	<b>268,279</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	817,003	377,162	-	-
Trade and other payables	86,053	96,646	25,996	18,743
Other financial liabilities, at fair value through profit or loss	30	-	-	-
Borrowings	317,563	308,752	-	-
Debts issued	286,550	295,711	-	-
Income tax payable	19,908	16,652	-	-
Derivative financial instruments	824	679	-	-
Total current liabilities	1,527,931	1,095,602	25,996	18,743
<b><u>Non-current liabilities</u></b>				
Trade and other payables	3,636	3,636	-	-
Deferred tax liabilities	2,271	1,834	-	-
Total non-current liabilities	5,907	5,470	-	-
<b>Total liabilities</b>	<b>1,533,838</b>	<b>1,101,072</b>	<b>25,996</b>	<b>18,743</b>
<b><u>Equity</u></b>				
Capital, reserves and non-controlling interests				
Share capital	72,471	72,471	72,471	72,471
Reserves	(52,463)	(43,174)	-	-
Retained earnings	1,080,629	1,057,501	176,995	177,065
Equity attributable to owners of the Company	1,100,637	1,086,798	249,466	249,536
Non-controlling interests	21,600	21,595	-	-
Total equity	1,122,237	1,108,393	249,466	249,536
<b>Total liabilities and equity</b>	<b>2,656,075</b>	<b>2,209,465</b>	<b>275,462</b>	<b>268,279</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with related parties	213,843	181,430	-	-
- with non-related banks	599,910	628,485	-	-
Margin with clearing houses	10,938	12,976	-	-
Less: Amounts held in trust	(824,691)	(822,891)	-	-
	-	-	-	-

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

	The Group			
	As at 31/03/2012		As at 31/12/2011	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	301,305	16,258	207,857	100,895
Amounts repayable after one year	-	-	-	-

As at period end, the Group had debts issued amounting to S\$286,550,374. 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\$301,304,927 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	
	3 months ended 31/03/2012	3 months ended 31/03/2011
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	26,820	38,046
Adjustments for:		
Depreciation expenses	2,493	2,337
Gain on disposal of property, plant and equipment	(15)	(2)
Dividend income from quoted / unquoted securities	(40)	(330)
Finance expenses	3,161	3,599
Exchange differences	(11,773)	(7,447)
Operating cash flow before working capital changes	20,646	36,203
Changes in operating assets and liabilities:		
Financial assets / liabilities at fair value through profit or loss	(23)	119
Trade, outstanding contracts and other receivables	(605,791)	(118,781)
Trade, outstanding contracts and other payables	429,393	117,785
Cash (used in) / generated from operations	(155,775)	35,326
Interest paid	(3,161)	(3,599)
Income tax paid	(447)	(438)
<b>Net cash (used in) / provided by operating activities</b>	<b>(159,383)</b>	<b>31,289</b>
<b>Investing activities</b>		
Payments for property, plant and equipment	(1,114)	(506)
Payments for financial assets, available-for-sale	(2,966)	-
Proceeds from disposal of property, plant and equipment	21	8
Proceeds from disposal of financial assets, available-for-sale	20	-
Dividends received from quoted / unquoted securities	40	330
<b>Net cash used in investing activities</b>	<b>(3,999)</b>	<b>(168)</b>
<b>Financing activities</b>		
Repayment of short-term bank loans	(24,160)	(111,686)
Payment to non-controlling interest for additional interest in a subsidiary	(220)	(42)
<b>Net cash used in financing activities</b>	<b>(24,380)</b>	<b>(111,728)</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	1,422	(303)

- 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	
	3 months ended 31/03/2012	3 months ended 31/03/2011
	S\$'000	S\$'000
Net decrease in cash and cash equivalents during the financial period	(186,340)	(80,910)
Cash and cash equivalents at beginning of the financial period	353,605	274,330
<b>Cash and cash equivalents at end of the financial period</b>	<b>167,265</b>	<b>193,420</b>

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

	The Group	
	As at 31/03/2012	As at 31/03/2011
	S\$'000	S\$'000
Cash and bank balances	204,378	208,987
Less: Bank overdrafts	(37,113)	(15,567)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>167,265</b>	<b>193,420</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 2012</b>	<b>72,471</b>	<b>1,541</b>	<b>(1,592)</b>	<b>1,074</b>	<b>(44,197)</b>	<b>1,057,501</b>	<b>1,086,798</b>	<b>21,595</b>	<b>1,108,393</b>
Total comprehensive income for first quarter	-	(14)	-	1,053	(10,408)	23,158	13,789	275	14,064
Acquisition of additional interest in a subsidiary	-	6	44	-	-	-	50	(270)	(220)
Transfer to statutory reserve	-	30	-	-	-	(30)	-	-	-
<b>Balance at 31 March 2012</b>	<b>72,471</b>	<b>1,563</b>	<b>(1,548)</b>	<b>2,127</b>	<b>(54,605)</b>	<b>1,080,629</b>	<b>1,100,637</b>	<b>21,600</b>	<b>1,122,237</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 2011</b>	72,471	1,317	(1,819)	935	(44,249)	1,034,666	1,063,321	20,320	1,083,641
Total comprehensive income for first quarter	-	(33)	-	(228)	(7,316)	31,076	23,499	(115)	23,384
Acquisition of additional interest in a subsidiary	-	-	19	-	-	-	19	(61)	(42)
Transfer to statutory reserve	-	20	-	-	-	(20)	-	-	-
<b>Balance at 31 March 2011</b>	<b>72,471</b>	<b>1,304</b>	<b>(1,800)</b>	<b>707</b>	<b>(51,565)</b>	<b>1,065,722</b>	<b>1,086,839</b>	<b>20,144</b>	<b>1,106,983</b>

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

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2012</b>	72,471	177,065	249,536
Total comprehensive loss for first quarter		(70)	(70)
<b>Balance at 31 March 2012</b>	<b>72,471</b>	<b>176,995</b>	<b>249,466</b>

	Share Capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2011</b>	72,471	178,104	250,575
Total comprehensive loss for first quarter	-	(33)	(33)
<b>Balance at 31 March 2011</b>	<b>72,471</b>	<b>178,071</b>	<b>250,542</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.**

NIL

**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 March 2012    31 December 2011**

No. of shares	724,709,009	724,709,009
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**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 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 2011.

**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.**

	<b>The Group</b>	
	<b>3 months</b>	<b>3 months</b>
	<b>ended 31/03/12</b>	<b>ended 31/03/11</b>
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	3.20 cents	4.29 cents
(ii) On a fully diluted basis	3.20 cents	4.29 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 31/03/2012	As at 31/12/2011	As at 31/03/2012	As at 31/12/2011
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	151.87 cents	149.96 cents	34.42 cents	34.43 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**

European sovereign debt concerns continue to weigh down investor sentiments. Trading volume improved slightly at the beginning of the quarter but was not sustained. Against this background of a challenging environment, the Group recorded a pre-tax profit of \$26.8 million.

Total revenue was \$85.1 million (2011: \$107.4 million) of which commission income contributed \$65.8 million (2011: \$85.6 million). Interest income decreased to \$14.9 million (2011: \$18.3 million) attributable to lower margin loans across the region.

Total expenses were lower at \$58.8 million (2011: \$70.6 million) due to lower commission payable and funding costs

#### **Balance Sheet**

The Group's net asset value position remains healthy at S\$1.1 billion as at 31 March 2012. There were no significant changes in the composition of Group balance sheet items.

The Group's reserves expressed in SGD decreased \$9.3 million mainly due to a loss on translation of net assets of overseas subsidiaries as a result of a strong SGD vis-à-vis the currencies in the countries where our subsidiaries operate.

- 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 market conditions improved modestly since the start of the financial year compared with the last quarter of FY2011. Sentiment is expected to remain cautious on moderate trading volumes in the absence of any positive catalysts. These conditions will largely dictate our revenue and profitability in the coming quarters.

**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 31 March 2012

**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 31 March 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wee Ee-chao  
Managing Director

Esmond Choo  
Executive Director

**BY ORDER OF THE BOARD**

**Wee Ee-chao**  
**Managing Director**  
**10 May 2012**