



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Third Quarter Ended 30 September 2008

(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<br>ended<br>30/9/2008<br>S\$'000 | 9 months<br>ended<br>30/9/2007<br>S\$'000 | Increase /<br>(Decrease)<br>% | 3 months<br>ended<br>30/9/2008<br>S\$'000 | 3 months<br>ended<br>30/9/2007<br>S\$'000 | Increase /<br>(Decrease)<br>% |
| <b><u>Revenue</u></b>  |   |   |                               |   |   |                               |
| Commission income  | 233,780                                   | 499,844                                   | (53.2)                        | 55,572                                    | 174,883                                   | (68.2)                        |
| Interest income  | 58,108                                    | 71,435                                    | (18.7)                        | 18,866                                    | 28,353                                    | (33.5)                        |
| Dividend from quoted / unquoted securities                                 | 371                                       | 380                                       | (2.4)                         | 6   | 1   | 500.0                         |
| Other operating revenue  | 10,878                                    | 9,181                                     | 18.5                          | 6,231                                     | 6,233                                     | 0.0                           |
| Total revenue  | 303,137                                   | 580,840                                   | (47.8)                        | 80,675                                    | 209,470                                   | (61.5)                        |
| Foreign exchange gain  | 3,351                                     | 8,576                                     | (60.9)                        | 1,897                                     | 2,071                                     | (8.4)                         |
| Realised gain on financial assets, available-for-sale                      | 4,251                                     | 18,716                                    | (77.3)                        | -   | 4,992                                     | N.M.                          |
| <b>Total income</b>  | <b>310,739</b>                            | <b>608,132</b>                            | (48.9)                        | <b>82,572</b>                             | <b>216,533</b>                            | (61.9)                        |
| <b><u>Costs and expenses</u></b>   |   |   |                               |   |   |                               |
| Commission expenses  | (54,602)                                  | (130,042)                                 | (58.0)                        | (12,993)                                  | (49,941)                                  | (74.0)                        |
| Personnel expenses   | (86,709)                                  | (145,859)                                 | (40.6)                        | (25,843)                                  | (49,759)                                  | (48.1)                        |
| Depreciation and amortisation expenses                                     | (1,869)                                   | (2,191)                                   | (14.7)                        | (604)                                     | (677)                                     | (10.8)                        |
| Allowance for impairment of trade debtors & bad debts written off          | (528)                                     | (525)                                     | 0.6                           | (165)                                     | (338)                                     | (51.2)                        |
| Net fair value loss on financial assets/liabilities through profit or loss | (1,325)                                   | (633)                                     | 109.3                         | (1,047)                                   | (754)                                     | 38.9                          |
| Finance expenses   | (12,362)                                  | (31,492)                                  | (60.7)                        | (4,510)                                   | (13,523)                                  | (66.6)                        |
| Other operating expenses   | (41,322)                                  | (43,162)                                  | (4.3)                         | (13,278)                                  | (16,095)                                  | (17.5)                        |
|  | <b>(198,717)</b>                          | <b>(353,904)</b>                          | (43.8)                        | <b>(58,440)</b>                           | <b>(131,087)</b>                          | (55.4)                        |
| <b>Profit from operations</b>  | <b>112,022</b>                            | <b>254,228</b>                            | (55.9)                        | <b>24,132</b>                             | <b>85,446</b>                             | (71.8)                        |
| Share of results of associates   | -   | 119                                       | N.M.                          | -   | (26)                                      | N.M.                          |
| <b>Profit before tax</b>   | <b>112,022</b>                            | <b>254,347</b>                            | (56.0)                        | <b>24,132</b>                             | <b>85,420</b>                             | (71.7)                        |
| Income tax expense*  | (19,302)                                  | (41,767)                                  | (53.8)                        | (4,368)                                   | (14,355)                                  | (69.6)                        |
| <b>Profit after tax</b>  | <b>92,720</b>                             | <b>212,580</b>                            | (56.4)                        | <b>19,764</b>                             | <b>71,065</b>                             | (72.2)                        |
| <b>Attributable to :</b>   |   |   |                               |   |   |                               |
| Equity holders of the Company  | 91,975                                    | 211,369                                   | (56.5)                        | 19,650                                    | 70,496                                    | (72.1)                        |
| Minority interests   | 745                                       | 1,211                                     | (38.5)                        | 114                                       | 569                                       | (80.0)                        |
|  | <b>92,720</b>                             | <b>212,580</b>                            | (56.4)                        | <b>19,764</b>                             | <b>71,065</b>                             | (72.2)                        |

\*Overprovision of taxation in respect of prior years in the 9 months ended 30 September 2008 is \$36,723. (9 months ended 30 September 2007: \$4,637)

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 30/9/2008</b> | <b>As at 31/12/2007</b> | <b>As at 30/9/2008</b> | <b>As at 31/12/2007</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                                  | 277,563                | 131,400                 | 2,885                  | 1,002                   |
| Outstanding contracts receivable                           | 979,779                | 1,092,895               | -                      | -                       |
| Trade receivables  | 986,764                | 2,005,062               | -                      | -                       |
| Financial assets at fair value through profit or loss      | 3,730                  | 3,183                   | -                      | -                       |
| Other current assets                                       | 15,325                 | 14,160                  | 70,650                 | 293,164                 |
| Derivative financial instruments                           | 50                     | 47                      | -                      | -                       |
|  | <b>2,263,211</b>       | <b>3,246,747</b>        | <b>73,535</b>          | <b>294,166</b>          |
| <b><u>Non-current assets</u></b>                           |                        |                         |                        |                         |
| Loans to subsidiaries                                      | -                      | -                       | -                      | 217                     |
| Investments  |                        |                         |                        |                         |
| - in subsidiaries  | -                      | -                       | 235,845                | 230,094                 |
| - in associates  | 151                    | 860                     | -                      | -                       |
| Financial assets, available-for-sale                       | 22,913                 | 38,371                  | -                      | -                       |
| Trading rights in Exchanges                                | 104                    | 111                     | -                      | -                       |
| Memberships in Exchanges                                   | 234                    | 24                      | -                      | -                       |
| Property, plant and equipment                              | 42,153                 | 5,360                   | -                      | -                       |
| Deferred income tax assets                                 | 70                     | 47                      | -                      | -                       |
|  | <b>65,625</b>          | <b>44,773</b>           | <b>235,845</b>         | <b>230,311</b>          |
| <b>Total assets</b>  | <b>2,328,836</b>       | <b>3,291,520</b>        | <b>309,380</b>         | <b>524,477</b>          |
| <b>LIABILITIES</b>   |                        |                         |                        |                         |
| <b><u>Current liabilities</u></b>                          |                        |                         |                        |                         |
| Outstanding contracts payable                              | 934,697                | 1,040,341               | -                      | -                       |
| Trade and other payables                                   | 207,791                | 155,858                 | 149,647                | 18,459                  |
| Financial liabilities at fair value through profit or loss | 89                     | 34                      | -                      | -                       |
| Borrowings   | 191,474                | 1,065,562               | -                      | 258,109                 |
| Current income tax liabilities                             | 37,893                 | 53,018                  | 157                    | 204                     |
| Derivative financial instruments                           | 12                     | 68                      | -                      | -                       |
|  | <b>1,371,956</b>       | <b>2,314,881</b>        | <b>149,804</b>         | <b>276,772</b>          |
| <b><u>Non-current liabilities</u></b>                      |                        |                         |                        |                         |
| Deferred income tax liabilities                            | 517                    | 723                     | -                      | -                       |
| <b>Total liabilities</b>                                   | <b>1,372,473</b>       | <b>2,315,604</b>        | <b>149,804</b>         | <b>276,772</b>          |
| <b>Net assets</b>  | <b>956,363</b>         | <b>975,916</b>          | <b>159,576</b>         | <b>247,705</b>          |
| <b><u>EQUITY</u></b>                                       |                        |                         |                        |                         |
| Share capital  | 72,471                 | 72,471                  | 72,471                 | 72,471                  |
| Reserves   | (6,117)                | 14,630                  | -                      | -                       |
| Retained earnings  | 876,321                | 874,138                 | 87,105                 | 175,234                 |
|  | <b>942,675</b>         | <b>961,239</b>          | <b>159,576</b>         | <b>247,705</b>          |
| Minority interests   | 13,688                 | 14,677                  | -                      | -                       |
| <b>Total Equity</b>  | <b>956,363</b>         | <b>975,916</b>          | <b>159,576</b>         | <b>247,705</b>          |
| <b><u>Clients' trust / segregated accounts</u></b>         |                        |                         |                        |                         |
| Bank balances  |                        |                         |                        |                         |
| - with affiliated corporations                             | 131,525                | 203,979                 | -                      | -                       |
| - with non-related banks                                   | 396,896                | 574,224                 | -                      | -                       |
| Margin with clearing houses                                | 6,852                  | 5,482                   | -                      | -                       |
| Less: Amounts held in trust                                | (535,273)              | (783,685)               | -                      | -                       |
|  | <b>-</b>               | <b>-</b>                | <b>-</b>               | <b>-</b>                |

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

|   | The Group          |                      |                    |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | As at 30/9/2008    |                      | As at 31/12/2007   |                      |
|   | Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000 | Unsecured<br>S\$'000 |
| Amounts repayable in one year or less, or on demand | 95,161             | 96,313               | 177,447            | 888,115              |
| Amounts repayable after one year                    | -                  | -                    | -                  | -                    |

### Details of any collateral

Details of secured group borrowings are as follows:

- Short term loans of a subsidiary amounting to S\$95,161,343 are secured by a fixed charge over immovable fixed assets and a floating charge over all assets of the 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<br>30/9/2008<br>S\$'000 | 9 months ended<br>30/9/2007<br>S\$'000 | 3 months ended<br>30/9/2008<br>S\$'000 | 3 months ended<br>30/9/2007<br>S\$'000 |
|   |  |  |  |  |
| <b>Operating activities</b>   |  |  |  |  |
| Profit before tax and after share of results of associates                              | 112,022                                | 254,347                                | 24,132                                 | 85,420                                 |
| Adjustments for:  |  |  |  |  |
| Share of results of associates  | -                                      | (119)                                  | -                                      | 26                                     |
| Depreciation and amortisation expenses  | 1,869                                  | 2,191                                  | 604                                    | 677                                    |
| Gain on disposal of property, plant and equipment                                       | (8)                                    | (49)                                   | (7)                                    | (31)                                   |
| Realised gain on sale of financial assets, available-for-sale                           | (4,251)                                | (18,716)                               | -                                      | (4,992)                                |
| Dividend income from quoted / unquoted securities                                       | (371)                                  | (380)                                  | (6)                                    | (1)                                    |
| Interest income   | (58,108)                               | (71,435)                               | (18,866)                               | (28,353)                               |
| Finance expenses  | 12,362                                 | 31,492                                 | 4,510                                  | 13,523                                 |
| Exchange differences  | (3,835)                                | (1,441)                                | 13,483                                 | (4,321)                                |
| Operating cash flow before working capital changes                                      | 59,680                                 | 195,890                                | 23,850                                 | 61,948                                 |
| Changes in operating assets and liabilities:  |  |  |  |  |
| Financial assets/liabilities at fair value through profit or loss                       | (492)                                  | 5,013                                  | (948)                                  | 1,998                                  |
| Trade receivables and outstanding contracts receivable                                  | 1,130,043                              | (3,448,807)                            | 440,617                                | (1,275,448)                            |
| Trade and other payables and outstanding contracts payable                              | (53,768)                               | 1,714,439                              | 211,753                                | 616,589                                |
| Cash generated from / (used in) operations  | 1,135,463                              | (1,533,465)                            | 675,272                                | (594,913)                              |
| Interest received   | 58,108                                 | 71,435                                 | 18,866                                 | 28,353                                 |
| Interest paid   | (12,362)                               | (31,492)                               | (4,510)                                | (13,523)                               |
| (Repayment) / Drawdown of short-term bank loans   | (868,398)                              | 1,571,019                              | (508,574)                              | 589,377                                |
| Income tax paid   | (34,437)                               | (27,398)                               | (13,805)                               | (12,770)                               |
| <b>Net cash provided by / (used in) operating activities</b>                            | <b>278,374</b>                         | <b>50,099</b>                          | <b>167,249</b>                         | <b>(3,476)</b>                         |
| <b>Investing activities</b>   |  |  |  |  |
| Payments for property, plant and equipment  | (38,720)                               | (2,683)                                | (27,846)                               | (1,515)                                |
| Proceeds from sale of financial assets, available-for-sale                              | 4,695                                  | 19,329                                 | 20                                     | 5,110                                  |
| Proceeds from disposal of property, plant and equipment                                 | 15                                     | 53                                     | 14                                     | 31                                     |
| Payment for financial assets, available -for-sale                                       | (3,448)                                | (3,055)                                | (136)                                  | (3,055)                                |
| Payment to minority interest for dividend   | (268)                                  | (340)                                  | 11                                     | -                                      |
| Payment to minority interest for additional interest in a subsidiary                    | -                                      | (852)                                  | -                                      | 16                                     |
| Proceeds from associate on partial distribution of surplus funds                        | 624                                    | 2,620                                  | 624                                    | 2,620                                  |
| Acquisition of subsidiary   |  |  |  |  |
| 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 / unquoted securities                                    | 371                                    | 380                                    | 6                                      | 1                                      |
| <b>Net cash (used in) / provided by investing activities</b>                            | <b>(36,731)</b>                        | <b>16,608</b>                          | <b>(27,307)</b>                        | <b>3,208</b>                           |
| <b>Financing activities</b>   |  |  |  |  |
| Dividends paid  | (89,791)                               | (115,881)                              | (3,623)                                | (53,484)                               |
| <b>Net cash used in financing activities</b>  | <b>(89,791)</b>                        | <b>(115,881)</b>                       | <b>(3,623)</b>                         | <b>(53,484)</b>                        |
| <b>Net increase/(decrease) in cash and cash equivalents during the financial period</b> | <b>151,852</b>                         | <b>(49,174)</b>                        | <b>136,319</b>                         | <b>(53,752)</b>                        |
| Cash and cash equivalents at beginning of the financial period                          | 122,257                                | 119,932                                | 137,790                                | 124,510                                |
| <b>Cash and cash equivalents at end of the financial period</b>                         | <b>274,109</b>                         | <b>70,758</b>                          | <b>274,109</b>                         | <b>70,758</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)*

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

|  | The Group                     |                               |
|--|-------------------------------|-------------------------------|
|  | As at<br>30/9/2008<br>S\$'000 | As at<br>30/9/2007<br>S\$'000 |
| Cash and bank balances   | 277,563                       | 145,527                       |
| Less: Bank overdrafts  | (3,454)                       | (74,769)                      |
| Cash and cash equivalents per consolidated cash flow statement | <u>274,109</u>                | <u>70,758</u>                 |

- 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<br>capital<br>S\$'000 | Statutory<br>reserve<br>S\$'000 | Fair value<br>reserve<br>S\$'000 | Foreign<br>currency<br>translation<br>reserve<br>S\$'000 | Retained<br>earnings<br>S\$'000 | Minority<br>interests<br>S\$'000 | Total<br>Equity<br>S\$'000 |
|--|-----------------------------|---------------------------------|----------------------------------|--|---------------------------------|----------------------------------|----------------------------|
| <b>Balance at 1 January 2008</b>                                   | 72,471                      | 1,384                           | 27,804                           | (14,558)   | 874,138                         | 14,677                           | 975,916                    |
| Fair value loss on financial assets,<br>available-for-sale         | -                           | -                               | (11,471)                         | -  | -                               | 4                                | (11,467)                   |
| Currency translation differences                                   | -                           | 31                              | (62)                             | (7,899)  | -                               | 284                              | (7,646)                    |
| Net gain/(loss) recognised directly in<br>equity                   | -                           | 31                              | (11,533)                         | (7,899)  | -                               | 288                              | (19,113)                   |
| Net profit for the first quarter                                   | -                           | -                               | -                                | -  | 43,159                          | 335                              | 43,494                     |
| Total recognized gain/(loss) for the first<br>quarter              | -                           | 31                              | (11,533)                         | (7,899)  | 43,159                          | 623                              | 24,381                     |
| Fair value gains transferred to income<br>statement on realisation | -                           | -                               | (4,251)                          | -  | -                               | -                                | (4,251)                    |
| Acquisition of additional interest in<br>subsidiary                | -                           | -                               | -                                | (4)  | 48                              | (44)                             | -                          |
| <b>Balance at 31 March 2008</b>                                    | <b>72,471</b>               | <b>1,415</b>                    | <b>12,020</b>                    | <b>(22,461)</b>  | <b>917,345</b>                  | <b>15,256</b>                    | <b>996,046</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<br>S\$'000 | Statutory reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Foreign currency translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Minority interests<br>S\$'000 | Total Equity<br>S\$'000 |
|---|--------------------------|------------------------------|-------------------------------|---|------------------------------|-------------------------------|-------------------------|
| <b>Balance at 31 March 2008</b>                         | 72,471                   | 1,415                        | 12,020                        | (22,461)  | 917,345                      | 15,256                        | 996,046                 |
| Fair value loss on financial assets, available-for-sale | -                        | -                            | (1,629)                       | -   | -                            | -                             | (1,629)                 |
| Currency translation differences                        | -                        | (105)                        | 10                            | (7,933)   | -                            | (1,077)                       | (9,105)                 |
| Net (loss) recognised directly in equity                | -                        | (105)                        | (1,619)                       | (7,933)   | -                            | (1,077)                       | (10,734)                |
| Net profit for the second quarter                       | -                        | -                            | -                             | -   | 29,166                       | 297                           | 29,463                  |
| Total recognised (loss)/gain for the second quarter     | -                        | (105)                        | (1,619)                       | (7,933)   | 29,166                       | (780)                         | 18,729                  |
| Final dividend for 2007 paid                            | -                        | -                            | -                             | -   | (86,168)                     | -                             | (86,168)                |
| Payment of dividends by a subsidiary                    | -                        | -                            | -                             | -   | -                            | (279)                         | (279)                   |
| <b>Balance at 30 June 2008</b>                          | <b>72,471</b>            | <b>1,310</b>                 | <b>10,401</b>                 | <b>(30,394)</b>                                 | <b>860,343</b>               | <b>14,197</b>                 | <b>928,328</b>          |
| Fair value loss on financial assets, available-for-sale | -                        | -                            | (716)                         | -   | -                            | (3)                           | (719)                   |
| Currency translation differences                        | -                        | 47                           | (118)                         | 13,335  | -                            | (662)                         | 12,602                  |
| Net gain/(loss) recognised directly in equity           | -                        | 47                           | (834)                         | 13,335  | -                            | (665)                         | 11,883                  |
| Net profit for the third quarter                        | -                        | -                            | -                             | -   | 19,650                       | 114                           | 19,764                  |
| Total recognised gain/(loss) for the third quarter      | -                        | 47                           | (834)                         | 13,335  | 19,650                       | (551)                         | 31,647                  |
| Interim dividend for 2008 paid                          | -                        | -                            | -                             | -   | (3,623)                      | -                             | (3,623)                 |
| Acquisition of additional interest in subsidiary        | -                        | 13                           | -                             | 5   | (49)                         | 42                            | 11                      |
| <b>Balance at 30 September 2008</b>                     | <b>72,471</b>            | <b>1,370</b>                 | <b>9,567</b>                  | <b>(17,054)</b>                                 | <b>876,321</b>               | <b>13,688</b>                 | <b>956,363</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<br>S\$'000 | Statutory reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Foreign currency translation reserve<br>S\$'000 | Retained earnings<br>S\$'000 | Minority interests<br>S\$'000 | Total Equity<br>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 recognised 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>                                 | <b>72,471</b>            | <b>1,109</b>                 | <b>24,994</b>                 | <b>(6,682)</b>                                  | <b>778,098</b>               | <b>14,030</b>                 | <b>884,020</b>          |
| 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<br>capital<br>S\$'000 | Statutory<br>reserve<br>S\$'000 | Fair value<br>reserve<br>S\$'000 | Foreign<br>currency<br>translation<br>reserve<br>S\$'000 | Retained<br>earnings<br>S\$'000 | Minority<br>interests<br>S\$'000 | Total<br>Equity<br>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 gain on financial assets,<br>available-for-sale         | -                           | -                               | 9,149                            | -  | -                               | 17                               | 9,166                      |
| Currency translation differences                                   | -                           | (23)                            | (4)                              | (3,753)  | -                               | (331)                            | (4,111)                    |
| Net (loss)/gain recognised directly in<br>equity                   | -                           | (23)                            | 9,145                            | (3,753)  | -                               | (314)                            | 5,055                      |
| Net profit for the third quarter                                   | -                           | -                               | -                                | -  | 70,496                          | 569                              | 71,065                     |
| Total recognized (loss)/gain for the third<br>quarter              | -                           | (23)                            | 9,145                            | (3,753)  | 70,496                          | 255                              | 76,120                     |
| Fair value gains transferred to income<br>statement on realisation | -                           | -                               | (4,991)                          | -  | -                               | -                                | (4,991)                    |
| Interim dividend for 2007 paid                                     | -                           | -                               | -                                | -  | (53,484)                        | -                                | (53,484)                   |
| Transfer from retained earnings to<br>statutory reserve            | -                           | 122                             | -                                | -  | (122)                           | -                                | -                          |
| Acquisition of additional interest in<br>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 COMPANY**

|                                     | Share<br>capital<br>S\$'000 | Retained<br>earnings<br>S\$'000 | Total<br>S\$'000 |
|-------------------------------------|-----------------------------|---------------------------------|------------------|
| <b>Balance at 1 January 2008</b>    | 72,471                      | 175,234                         | 247,705          |
| Net profit for the first quarter    | -                           | 211                             | 211              |
| <b>Balance at 31 March 2008</b>     | <b>72,471</b>               | <b>175,445</b>                  | <b>247,916</b>   |
| Net profit for the second quarter   | -                           | 1,186                           | 1,186            |
| Final dividend for 2007 paid        | -                           | (86,168)                        | (86,168)         |
| <b>Balance at 30 June 2008</b>      | <b>72,471</b>               | <b>90,463</b>                   | <b>162,934</b>   |
| Net profit for the third quarter    | -                           | 265                             | 265              |
| Interim dividend for 2008 paid      | -                           | (3,623)                         | (3,623)          |
| <b>Balance at 30 September 2008</b> | <b>72,471</b>               | <b>87,105</b>                   | <b>159,576</b>   |

|                                     | Share<br>Capital<br>S\$'000 | Retained<br>earnings<br>S\$'000 | Total<br>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)(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 statements for the quarter ended 30 September 2008 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

**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 2007.

**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 ended 30/9/2008</b> | <b>3 months ended 30/9/2007</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                                    | 2.71 cents                      | 9.73 cents                      |
| (ii) On a fully diluted basis   | 2.71 cents                      | 9.73 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<br>30/9/2008 | As at<br>31/12/2007 | As at<br>30/9/2008 | As at<br>31/12/2007 |
| Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on | 130.08 cents       | 132.64 cents        | 22.02 cents        | 34.18 cents         |

Net asset value for the group is derived after deducting 1.89 cents (2007:2.02 cents) per share attributable to minority interest

- 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**

Market sentiment was weak in the third quarter of 2008, contributing to the decline in market activity. Consistent with the general decline in trading volume and lower commission income, the Group recorded revenue of \$80.7 million (2007: \$209.5 million) and a profit after tax of \$19.8 million (2007: \$71.1 million) this quarter.

The Group recorded commission income of \$55.6 million (2007: \$174.8 million) for the quarter, a significant decrease from the corresponding period in 2007. With lower commission income, commission and personnel expenses also decreased. The reduction in finance expense is due to lower working capital requirements.

### **Balance Sheet**

The Group maintained a healthy net asset value of S\$956.4million as at 30 September 2008. Our Group balance sheet balances between financial years/quarters are sensitive to prevailing trading volume. Funding requirements reduced substantially due to lower loans advanced to support trading and IPO activities in Singapore and Hong Kong.

Property, plant and equipment increased with the acquisition of land to develop an office building for the Group's use. Financial assets available for sale reduced as a result of a fair value adjustment.

- 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.**

Deterioration in the global credit situation had an adverse impact on economic activities worldwide. With extreme volatility in prices across asset classes, investors and financiers have become increasingly risk adverse. Until credit availability and asset values stabilised, we expect global equity markets to remain cautious for the ensuing 12 months.

- 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 / recommended for the quarter ended 30 September 2008

**BY ORDER OF THE BOARD**

**Wee Ee-chao**  
**Chairman and Managing Director**  
**11 November 2008**