



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Third Quarter Ended 30 September 2015

(Co. Ref. No. 200004464C)

These figures have not been audited.

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

**COMPREHENSIVE INCOME STATEMENT**

	The Group					
	9 months ended 30/09/2015	9 months ended 30/09/2014	Increase / (Decrease) %	3 months ended 30/09/2015	3 months ended 30/09/2014	Increase / (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>						
Commission income	179,858	175,714	2.4	57,970	62,715	(7.6)
Interest income	79,341	67,344	17.8	20,991	20,323	3.3
Dividend from quoted / unquoted securities	68	452	(85)	(1)	-	N.M.
Other operating revenue	23,163	18,597	24.6	5,310	6,428	(17.4)
<b>Total revenue</b>	<b>282,430</b>	<b>262,107</b>	<b>7.8</b>	<b>84,270</b>	<b>89,466</b>	<b>(5.8)</b>
Foreign exchange gain	5,145	4,798	7.2	1,159	2,346	(50.6)
Realised gain / (loss) on financial assets, available-for-sale	1,834	(21)	N.M.	1,820	(21)	N.M.
<b>Total income</b>	<b>289,409</b>	<b>266,884</b>	<b>8.4</b>	<b>87,249</b>	<b>91,791</b>	<b>(4.9)</b>
<b>Costs and expenses</b>						
Commission expenses	(37,104)	(40,221)	(7.7)	(12,406)	(13,696)	(9.4)
Personnel expenses	(89,917)	(83,832)	7.3	(26,370)	(30,331)	(13.1)
Depreciation expenses	(6,485)	(6,684)	(3.0)	(2,150)	(2,185)	(1.6)
Allowance for impairment of trade debtors & bad debts written off	(717)	(513)	39.8	(209)	(231)	(9.5)
Net fair value (loss) / gain on financial assets / liabilities through profit or loss	(3,685)	177	N.M.	(1,801)	99	N.M.
Allowance for impairment of goodwill	-	(1,817)	N.M.	-	(559)	N.M.
Finance expenses	(28,318)	(20,042)	41.3	(4,877)	(4,350)	12.1
Other operating expenses	(49,356)	(47,717)	3.4	(15,614)	(15,494)	0.8
	<b>(215,582)</b>	<b>(200,649)</b>	<b>7.4</b>	<b>(63,427)</b>	<b>(66,747)</b>	<b>(5.0)</b>
<b>Profit before tax</b>	<b>73,827</b>	<b>66,235</b>	<b>11.5</b>	<b>23,822</b>	<b>25,044</b>	<b>(4.9)</b>
Income tax expense*	(11,223)	(10,017)	12.0	(3,694)	(3,997)	(7.6)
<b>Profit after tax</b>	<b>62,604</b>	<b>56,218</b>	<b>11.4</b>	<b>20,128</b>	<b>21,047</b>	<b>(4.4)</b>
<b>Other comprehensive income / (expense) (net of tax):</b>						
Foreign currency translation difference	17,251	4,167	314.0	16,663	7,733	115.5
Available-for-sale financial assets	(1,706)	241	N.M.	(1,497)	534	N.M.
	<b>15,545</b>	<b>4,408</b>	<b>252.7</b>	<b>15,166</b>	<b>8,267</b>	<b>83.5</b>
<b>Total comprehensive income for the period</b>	<b>78,149</b>	<b>60,626</b>	<b>28.9</b>	<b>35,294</b>	<b>29,314</b>	<b>20.4</b>

\*Under provision of taxation in respect of prior years in the 9 months ended 30 September 2015 is \$152,075. (9 months ended 30 September 2014: \$759,756)

N.M. = Not Meaningful.

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

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

	The Group					
	9 months ended 30/09/2015 S\$'000	9 months ended 30/09/2014 S\$'000	Increase / (Decrease) %	3 months ended 30/09/2015 S\$'000	3 months ended 30/09/2014 S\$'000	Increase / (Decrease) %
<b>Profit attributable to :</b>						
Owners of the Company	61,327	55,167	11.2	19,800	20,445	(3.2)
Non-controlling interests	1,277	1,051	21.5	328	602	(45.5)
	<b>62,604</b>	<b>56,218</b>	11.4	<b>20,128</b>	<b>21,047</b>	(4.4)
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	77,339	59,317	30.4	35,290	28,758	22.7
Non-controlling interests	810	1,309	(38.1)	4	556	(99.3)
	<b>78,149</b>	<b>60,626</b>	28.9	<b>35,294</b>	<b>29,314</b>	20.4

**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>	
	As at 30/09/2015 SS'000	As at 31/12/2014 SS'000	As at 30/09/2015 SS'000	As at 31/12/2014 SS'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	297,169	180,959	113	313
Outstanding contracts receivable	610,803	529,252	-	-
Trade receivables	1,845,686	1,705,153	-	-
Other financial assets, at fair value through profit or loss	13,147	161	-	-
Other current assets	57,183	37,653	53,317	33,939
Derivative financial instruments	9	7	-	-
<b>Total current assets</b>	<b>2,823,997</b>	<b>2,453,185</b>	<b>53,430</b>	<b>34,252</b>
<b><u>Non-current assets</u></b>				
Trade and other receivables	28,098	86,563	213	198
Goodwill	5,043	5,697	-	-
Subsidiaries	-	-	349,374	349,374
Financial assets, available-for-sale	4,535	25,124	-	-
Trading rights in Exchanges	104	98	-	-
Memberships in Exchanges	211	217	-	-
Property, plant and equipment	48,762	53,564	-	-
Deferred tax assets	1,097	1,841	-	-
<b>Total non-current assets</b>	<b>87,850</b>	<b>173,104</b>	<b>349,587</b>	<b>349,572</b>
<b>Total assets</b>	<b>2,911,847</b>	<b>2,626,289</b>	<b>403,017</b>	<b>383,824</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	573,275	485,000	-	-
Trade and other payables	81,761	101,527	101,409	82,477
Borrowings	399,044	384,206	-	-
Debts issued	525,201	392,462	-	-
Income tax payable	10,442	11,464	-	-
Derivative financial instruments	57	160	-	-
<b>Total current liabilities</b>	<b>1,589,780</b>	<b>1,374,819</b>	<b>101,409</b>	<b>82,477</b>
<b><u>Non-current liabilities</u></b>				
Trade and other payables	2,215	2,215	-	-
Deferred tax liabilities	635	970	-	-
<b>Total non-current liabilities</b>	<b>2,850</b>	<b>3,185</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,592,630</b>	<b>1,378,004</b>	<b>101,409</b>	<b>82,477</b>
<b><u>Equity</u></b>				
Capital, reserves and non-controlling interests				
Share capital	141,326	110,677	141,326	110,677
Reserves	(32,095)	(48,107)	-	-
Retained earnings	1,191,322	1,167,505	160,282	190,670
Equity attributable to owners of the Company	1,300,553	1,230,075	301,608	301,347
Non-controlling interests	18,664	18,210	-	-
<b>Total equity</b>	<b>1,319,217</b>	<b>1,248,285</b>	<b>301,608</b>	<b>301,347</b>
<b>Total liabilities and equity</b>	<b>2,911,847</b>	<b>2,626,289</b>	<b>403,017</b>	<b>383,824</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with related parties	412,645	410,980	-	-
- with non-related banks	1,051,060	771,096	-	-
Margin with clearing houses	41,873	9,372	-	-
Less: Amounts held in trust	(1,505,578)	(1,191,448)	-	-
	-	-	-	-

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

	The Group			
	As at 30/09/2015		As at 31/12/2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	393,851	5,193	372,771	11,435
Amounts repayable after one year	-	-	-	-

As at period end, the Group had debts issued amounting to S\$525,201,290. 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\$393,850,643 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			
	9 months ended 30/09/2015	9 months ended 30/09/2014	3 months ended 30/09/2015	3 months ended 30/09/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	73,827	66,235	23,822	25,044
Adjustments for:				
Depreciation expenses	6,485	6,684	2,150	2,185
Net loss / (gain) on disposal of property, plant and equipment	22	(35)	19	(11)
Allowance for trade receivables	356	585	228	247
(Gain) / Loss on sale of financial assets, available-for-sale	(1,834)	21	(1,820)	21
Loss on disposal of trading rights	-	321	-	1
Impairment of goodwill	-	1,817	-	559
Dividend income from quoted / unquoted securities	(68)	(452)	1	-
Interest expenses	28,318	20,042	4,877	4,350
Exchange differences	2,566	(2,040)	(406)	(1,497)
Operating cash flow before working capital changes	109,672	93,178	28,871	30,899
Changes in operating assets and liabilities:				
Other financial assets / liabilities, at fair value through profit or loss	(12,393)	58,210	9,561	7,868
Financial assets, available for sale	15,908	(161)	679	892
Trade, outstanding contracts and other receivables	(36,314)	(257,192)	488,455	(168,595)
Trade, outstanding contracts and other payables	71,534	75,981	(281,432)	126,332
Cash generated from / (used in) operations	148,407	(29,984)	246,134	(2,604)
Interest paid	(28,318)	(20,042)	(4,877)	(4,350)
Income tax paid	(11,641)	(14,349)	(4,550)	(6,021)
<b>Net cash provided by / (used in) operating activities</b>	108,448	(64,375)	236,707	(12,975)
<b>Investing activities</b>				
Payments for property, plant and equipment	(2,627)	(1,435)	(778)	(561)
Proceeds from disposal of property, plant and equipment	52	95	1	13
Proceeds from disposal of financial assets, available for sale	5,214	114	5,168	114
Proceeds from disposal of trading rights	-	142	-	-
Dividends received from quoted / unquoted securities	68	452	(1)	-
<b>Net cash from / (used in) investing activities</b>	2,707	(632)	4,390	(434)
<b>Financing activities</b>				
Drawdown / (Repayment) of short-term bank loans	20,204	42,651	(262,836)	14,977
Payment to non-controlling interests for additional interest in a subsidiary	-	(2,826)	-	(194)
Payment to non-controlling interests for dividend	(356)	(468)	-	5
Dividends paid	(6,861)	(8,900)	-	-
<b>Net cash from / (used in) financing activities</b>	12,987	30,457	(262,836)	14,788

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			
	9 months ended 30/09/2015 S\$'000	9 months ended 30/09/2014 S\$'000	3 months ended 30/09/2015 S\$'000	3 months ended 30/09/2014 S\$'000
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(2,566)	2,040	406	1,497
<b>Net increase / (decrease) in cash and cash equivalents during the financial period</b>	121,576	(32,510)	(21,333)	2,876
Cash and cash equivalents at beginning of the financial period	171,491	234,410	314,400	199,024
<b>Cash and cash equivalents at end of the financial period</b>	<b>293,067</b>	<b>201,900</b>	<b>293,067</b>	<b>201,900</b>

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

	The Group	
	As at 30/09/2015 S\$'000	As at 30/09/2014 S\$'000
Cash and bank balances	297,169	206,711
Less: Bank overdrafts	(4,102)	(4,811)
Cash and cash equivalents per consolidated cash flow statement	<b>293,067</b>	<b>201,900</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 2015</b>	<b>110,677</b>	<b>1,714</b>	<b>(276)</b>	<b>3,137</b>	<b>(52,682)</b>	<b>1,167,505</b>	<b>1,230,075</b>	<b>18,210</b>	<b>1,248,285</b>
<b>Total comprehensive income for first quarter</b>									
Profit for the period	-	-	-	-	-	18,031	18,031	707	18,738
Other comprehensive income	-	88	-	30	16,589	-	16,707	950	17,657
<b>Total</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>30</b>	<b>16,589</b>	<b>18,031</b>	<b>34,738</b>	<b>1,657</b>	<b>36,395</b>
<b>Balance at 31 March 2015</b>	<b>110,677</b>	<b>1,802</b>	<b>(276)</b>	<b>3,167</b>	<b>(36,093)</b>	<b>1,185,536</b>	<b>1,264,813</b>	<b>19,867</b>	<b>1,284,680</b>
<b>Total comprehensive (expense) / income for second quarter</b>									
Profit for the period	-	-	-	-	-	23,496	23,496	242	23,738
Other comprehensive income	-	(99)	-	(225)	(15,861)	-	(16,185)	(1,093)	(17,278)
<b>Total</b>	<b>-</b>	<b>(99)</b>	<b>-</b>	<b>(225)</b>	<b>(15,861)</b>	<b>23,496</b>	<b>7,311</b>	<b>(851)</b>	<b>6,460</b>
Final dividend for 2014 paid	30,649	-	-	-	-	(37,510)	(6,861)	-	(6,861)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	(356)	(356)
<b>Balance at 30 June 2015</b>	<b>141,326</b>	<b>1,703</b>	<b>(276)</b>	<b>2,942</b>	<b>(51,954)</b>	<b>1,171,522</b>	<b>1,265,263</b>	<b>18,660</b>	<b>1,283,923</b>
<b>Total comprehensive (expense) / income for third quarter</b>									
Profit for the period	-	-	-	-	-	19,800	19,800	328	20,128
Other comprehensive income	-	(28)	-	(1,467)	16,985	-	15,490	(324)	15,166
<b>Total</b>	<b>-</b>	<b>(28)</b>	<b>-</b>	<b>(1,467)</b>	<b>16,985</b>	<b>19,800</b>	<b>35,290</b>	<b>4</b>	<b>35,294</b>
<b>Balance at 30 September 2015</b>	<b>141,326</b>	<b>1,675</b>	<b>(276)</b>	<b>1,475</b>	<b>(34,969)</b>	<b>1,191,322</b>	<b>1,300,553</b>	<b>18,664</b>	<b>1,319,217</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 2014</b>	<b>72,471</b>	<b>1,661</b>	<b>(1,246)</b>	<b>3,090</b>	<b>(68,034)</b>	<b>1,140,166</b>	<b>1,148,108</b>	<b>20,221</b>	<b>1,168,329</b>
<b>Total comprehensive income for first quarter</b>									
Profit for the period	-	-	-	-	-	17,881	17,881	242	18,123
Other comprehensive income	-	2	-	961	729	-	1,692	440	2,132
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>961</b>	<b>729</b>	<b>17,881</b>	<b>19,573</b>	<b>682</b>	<b>20,255</b>
Acquisition of additional interest in a subsidiary	-	32	754	-	-	-	786	(1,979)	(1,193)
Transfer to statutory reserve	-	(81)	-	-	-	81	-	-	-
<b>Balance at 31 March 2014</b>	<b>72,471</b>	<b>1,614</b>	<b>(492)</b>	<b>4,051</b>	<b>(67,305)</b>	<b>1,158,128</b>	<b>1,168,467</b>	<b>18,924</b>	<b>1,187,391</b>
<b>Total comprehensive (loss) / income for second quarter</b>									
Profit for the period	-	-	-	-	-	16,841	16,841	207	17,048
Other comprehensive income	-	(15)	-	(1,250)	(4,590)	-	(5,855)	(136)	(5,991)
<b>Total</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(1,250)</b>	<b>(4,590)</b>	<b>16,841</b>	<b>10,986</b>	<b>71</b>	<b>11,057</b>
Acquisition of additional interest in a subsidiary	-	39	624	-	-	-	663	(2,102)	(1,439)
Final dividend for 2013 paid	38,206	-	-	-	-	(47,106)	(8,900)	-	(8,900)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	(473)	(473)
<b>Balance at 30 June 2014</b>	<b>110,677</b>	<b>1,638</b>	<b>132</b>	<b>2,801</b>	<b>(71,895)</b>	<b>1,127,863</b>	<b>1,171,216</b>	<b>16,420</b>	<b>1,187,636</b>
<b>Total comprehensive income / (loss) for third quarter</b>									
Profit for the period	-	-	-	-	-	20,445	20,445	602	21,047
Other comprehensive income	-	36	-	526	7,751	-	8,313	(46)	8,267
<b>Total</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>526</b>	<b>7,751</b>	<b>20,445</b>	<b>28,758</b>	<b>556</b>	<b>29,314</b>
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	5	5
Acquisition of additional interest in a subsidiary	-	4	(409)	-	-	-	(405)	212	(193)
<b>Balance at 30 September 2014</b>	<b>110,677</b>	<b>1,678</b>	<b>(277)</b>	<b>3,327</b>	<b>(64,144)</b>	<b>1,148,308</b>	<b>1,199,569</b>	<b>17,193</b>	<b>1,216,762</b>



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

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

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2015</b>	110,677	190,670	301,347
Total comprehensive income for first quarter	-	680	680
<b>Balance at 31 March 2015</b>	<b>110,677</b>	<b>191,350</b>	<b>302,027</b>
Total comprehensive income for second quarter	-	2,893	2,893
Final dividend for 2014 paid	30,649	(37,510)	(6,861)
<b>Balance at 30 June 2015</b>	<b>141,326</b>	<b>156,733</b>	<b>298,059</b>
Total comprehensive income for third quarter	-	3,549	3,549
<b>Balance at 30 September 2015</b>	<b>141,326</b>	<b>160,282</b>	<b>301,608</b>

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2014</b>	72,471	197,526	269,997
Total comprehensive loss for first quarter	-	(107)	(107)
<b>Balance at 31 March 2014</b>	<b>72,471</b>	<b>197,419</b>	<b>269,890</b>
Total comprehensive income for second quarter	-	1,335	1,335
Final dividend for 2013 paid	38,206	(47,106)	(8,900)
<b>Balance at 30 June 2014</b>	<b>110,677</b>	<b>151,648</b>	<b>262,325</b>
Total comprehensive loss for third quarter	-	(98)	(98)
<b>Balance at 30 September 2014</b>	<b>110,677</b>	<b>151,550</b>	<b>262,227</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.**

	Number of shares			
	9 months ended 30/9/2015	9 months ended 30/09/2014	3 months ended 30/09/2015	3 months ended 30/09/2014
<b>Ordinary shares</b>				
<b>Balance at beginning of period</b>	750,214,907	724,709,009	772,155,868	750,214,907
Issue of shares under scrip dividend scheme	21,940,961	25,505,898	-	-
<b>Balance at end of period</b>	<b>772,155,868</b>	<b>750,214,907</b>	<b>772,155,868</b>	<b>750,214,907</b>

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

	30 September 2015	31 December 2014
No. of shares	772,155,868	750,214,907

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

Not applicable

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

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

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

Not applicable.

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

The Group and the Company have applied the same accounting policies in the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2014.

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

Not applicable.

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

	The Group			
	9 months ended 30/9/2015	9 months ended 30/09/2014	3 months ended 30/09/2015	3 months ended 30/09/2014
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	8.08 cents	7.51 cents	2.56 cents	2.73 cents
(ii) On a fully diluted basis	8.08 cents	7.51 cents	2.56 cents	2.73 cents

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

	The Group		The Company	
	As at 30/9/2015	As at 31/12/2014	As at 30/9/2015	As at 31/12/2014
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	168.43 cents	163.96 cents	39.06cents	40.17 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**

**3Q15 vs 3Q14**

Financial markets continue to be dominated by speculation over the timing of Fed rate hikes and concerns over the health of the global economy. Market volumes in regional markets remained low, except Hong Kong which experienced a significant increase. The Group recorded pre-tax profit of S\$23.8 million and after tax profit of S\$20.1 million, a decrease of 4.9% and 4.4% respectively over last year.

Commission income reduced from S\$62.7 million to S\$58.0 million, reflecting a decrease of 7.6%. Interest income grew 3.3% from S\$20.3 million to S\$21.0 million with higher lending activities. Other operating revenue decreased 17.4% from S\$6.4 million to S\$5.3 million due to lower corporate finance activities. Realised gain on financial assets, available-for-sale arose from the disposal of some long term investments which were previously impaired.

Commission expenses decreased 9.4% from S\$13.7 million to S\$12.4 million as a result of lower agency volumes. Personnel expenses fell 13.1% from S\$30.3 million to S\$26.4 million due to lower turnover volume transacted by employee dealers. The increase in finance expenses was due to higher lending activities funded with debt issues and slightly higher bank interest rates.

**9M15 vs 9M14**

The Group recorded profit before tax of S\$73.8 million and profit after tax of S\$62.6 million, an increase of 11.5% and 11.4% respectively.

Commission income was adversely affected by low trading volumes on the SGX but compensated by healthy volumes on the HKSE. Commission income increased from S\$175.7 million to S\$179.9 million, representing an increase of 2.4%. Interest income rose 17.8% from S\$67.3 million to S\$79.3 million due to higher lending activities. Other operating revenue increased by 24.6% from S\$18.6 million to S\$23.2 million as a result of higher corporate finance activities and facility fees earned.

Agency commission expenses decreased by 7.7% from S\$40.2 million to S\$37.1 million but personnel expenses rose 7.3% from S\$83.8 million to S\$89.9 million with higher commission income from employed dealers. Finance expenses increased in line with higher structured lending activities.

**Balance Sheet**

The Group's balance sheet remains strong with net asset value as at 30 September 2015 of S\$1.3 billion. There were no significant changes in the composition of Group balance sheet items except for trade related items and debts issued which expanded along with increased lending activities.

- 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.**

We expect the downbeat prevailing outlook anticipated last quarter to continue. Slowing global economic activities continue to impinge on corporate earnings growth. Despite market trading at historically low market valuations, expectation of interest rate increase continues to weigh on market sentiment which will inhibit trading volumes for regional equity markets.

- 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 or recommended for the quarter ended 30 September 2015

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

No IPT mandate has been obtained.

**14 Confirmation of the Board**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for the quarter ended 30 September 2015 to be false or misleading in any material aspect.

By order of the Board of Directors

Wee Ee-chao  
Managing Director

Esmond Choo  
Executive Director

**BY ORDER OF THE BOARD**

**Wee Ee-chao  
Managing Director  
13 November 2015**