



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Third Quarter Ended 30 September 2016

(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 30/09/2016	9 months ended 30/09/2015	Increase / (Decrease) %	3 months ended 30/09/2016	3 months ended 30/09/2015	Increase / (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>						
Commission income	146,724	179,858	(18.4)	51,152	57,970	(11.8)
Interest income	78,220	79,341	(1.4)	19,640	20,991	(6.4)
Dividend from quoted / unquoted securities	49	68	(27.9)	-	(1)	N.M
Other operating revenue	17,941	23,163	(22.5)	5,929	5,310	11.7
<b>Total revenue</b>	<b>242,934</b>	<b>282,430</b>	<b>(14.0)</b>	<b>76,721</b>	<b>84,270</b>	<b>(9.0)</b>
Foreign exchange gain	2,077	5,145	(59.6)	1,894	1,159	63.4
Realised gain on available-for-sale investments	-	1,834	N.M	-	1,820	N.M
<b>Total income</b>	<b>245,011</b>	<b>289,409</b>	<b>(15.3)</b>	<b>78,615</b>	<b>87,249</b>	<b>(9.9)</b>
<b>Costs and expenses</b>						
Commission expenses	(32,937)	(37,104)	(11.2)	(12,132)	(12,406)	(2.2)
Personnel expenses	(76,687)	(89,917)	(14.7)	(26,526)	(26,370)	0.6
Depreciation expenses	(6,209)	(6,485)	(4.3)	(2,075)	(2,150)	(3.5)
(Allowance) Write back of allowance for impairment of trade debtors & bad debts written off	(317)	(717)	(55.8)	70	(209)	N.M
Net fair value gain / (loss) on financial assets / liabilities through profit or loss	991	(3,685)	N.M	825	(1,801)	N.M
Finance expenses	(28,492)	(28,318)	0.6	(4,949)	(4,877)	1.5
Other operating expenses	(47,145)	(49,356)	(4.5)	(15,954)	(15,614)	2.2
	<b>(190,796)</b>	<b>(215,582)</b>	<b>(11.5)</b>	<b>(60,741)</b>	<b>(63,427)</b>	<b>(4.2)</b>
<b>Profit before tax</b>	<b>54,215</b>	<b>73,827</b>	<b>(26.6)</b>	<b>17,874</b>	<b>23,822</b>	<b>(25.0)</b>
Income tax expense*	(8,339)	(11,223)	(25.7)	(2,691)	(3,694)	(27.2)
<b>Profit after tax</b>	<b>45,876</b>	<b>62,604</b>	<b>(26.7)</b>	<b>15,183</b>	<b>20,128</b>	<b>(24.6)</b>
<b>Other comprehensive (expense) / income (net of tax):</b>						
Foreign currency translation difference	(13,059)	17,251	N.M	7,833	16,663	(53.0)
Actuarial gain on defined benefit plan	487	-	N.M	487	-	N.M
Available-for-sale investments	(29)	(1,706)	(98.3)	24	(1,497)	N.M
	<b>(12,601)</b>	<b>15,545</b>	<b>N.M</b>	<b>8,344</b>	<b>15,166</b>	<b>(45.0)</b>
<b>Total comprehensive income for the period</b>	<b>33,275</b>	<b>78,149</b>	<b>(57.4)</b>	<b>23,527</b>	<b>35,294</b>	<b>(33.3)</b>

\*Under (Over) provision of taxation in respect of prior years in the 9 months ended 30 Sep 2016 is \$3,331. (9 months ended 30 Sep 2015: (\$152,075))

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 30/09/2016	9 months ended 30/09/2015	Increase / (Decrease) %	3 months ended 30/09/2016	3 months ended 30/09/2015	Increase / (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Profit attributable to :</b>						
Owners of the Company	44,816	61,327	(26.9)	14,660	19,800	(26.0)
Non-controlling interests	1,060	1,277	(17.0)	523	328	59.5
	<b>45,876</b>	<b>62,604</b>	(26.7)	<b>15,183</b>	<b>20,128</b>	(24.6)
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	32,111	77,339	(58.5)	22,445	35,290	(36.4)
Non-controlling interests	1,164	810	43.7	1,082	4	N.M
	<b>33,275</b>	<b>78,149</b>	(57.4)	<b>23,527</b>	<b>35,294</b>	(33.3)

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group		The Company	
	As at 30/09/2016 SS'000	As at 31/12/2015 SS'000	As at 30/09/2016 SS'000	As at 31/12/2015 SS'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	485,412	372,227	177	145
Outstanding contracts receivable	648,173	370,566	-	-
Trade receivables	1,602,564	1,814,078	-	-
Other financial assets, at fair value through profit or loss	8,888	21,267	-	-
Other current assets	41,628	31,793	53,982	66,213
Derivative financial instruments	29	9	-	-
<b>Total current assets</b>	<b>2,786,694</b>	<b>2,609,940</b>	<b>54,159</b>	<b>66,358</b>
<b><u>Non-current assets</u></b>				
Trade and other receivables	43,149	226,320	205	212
Goodwill	13,764	1,417	-	-
Subsidiaries	-	-	359,374	349,374
Available-for-sale investments	2,741	3,411	-	-
Trading rights in Exchanges	98	103	-	-
Memberships in Exchanges	213	212	-	-
Property, plant and equipment	46,450	47,367	-	-
Deferred tax assets	1,150	1,029	-	-
<b>Total non-current assets</b>	<b>107,565</b>	<b>279,859</b>	<b>359,579</b>	<b>349,586</b>
<b>Total assets</b>	<b>2,894,259</b>	<b>2,889,799</b>	<b>413,738</b>	<b>415,944</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	604,880	335,066	-	-
Trade and other payables	121,056	86,435	92,905	75,563
Borrowings	429,559	662,134	673	612
Debts issued	386,101	465,894	-	-
Income tax payable	9,429	8,762	-	-
Derivative financial instruments	27	45	-	-
<b>Total current liabilities</b>	<b>1,551,052</b>	<b>1,558,336</b>	<b>93,578</b>	<b>76,175</b>
<b><u>Non-current liabilities</u></b>				
Trade and other payables	765	1,262	-	-
Deferred tax liabilities	885	862	-	-
<b>Total non-current liabilities</b>	<b>1,650</b>	<b>2,124</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,552,702</b>	<b>1,560,460</b>	<b>93,578</b>	<b>76,175</b>
<b><u>Equity</u></b>				
Capital, reserves and non-controlling interests				
Share capital	155,615	141,326	155,615	141,326
Reserves	(45,880)	(32,980)	-	-
Retained earnings	1,212,442	1,201,962	164,545	198,443
Equity attributable to owners of the Company	1,322,177	1,310,308	320,160	339,769
Non-controlling interests	19,380	19,031	-	-
<b>Total equity</b>	<b>1,341,557</b>	<b>1,329,339</b>	<b>320,160</b>	<b>339,769</b>
<b>Total liabilities and equity</b>	<b>2,894,259</b>	<b>2,889,799</b>	<b>413,738</b>	<b>415,944</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with related parties	482,369	326,170	-	-
- with non-related banks	994,079	1,081,169	-	-
Margin with clearing houses	31,596	54,068	-	-
Less: Amounts held in trust	(1,508,044)	(1,461,407)	-	-
	-	-	-	-

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

	The Group			
	As at 30/09/2016		As at 31/12/2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	413,309	16,250	657,171	4,963
Amounts repayable after one year	-	-	-	-

As at period end, the Group had debts issued amounting to S\$386,101,415. 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\$413,308,826 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 30/09/2016 S\$'000	9 months ended 30/09/2015 S\$'000	3 months ended 30/09/2016 S\$'000	3 months ended 30/09/2015 S\$'000
	<b>Operating activities</b>			
Profit before income tax	54,215	73,827	17,874	23,822
Adjustments for:				
Depreciation expenses	6,209	6,485	2,075	2,150
Net (gain) / loss on disposal of property, plant and equipment	(39)	22	(17)	19
Allowance for trade receivables	326	356	(77)	228
Gain on disposal of available-for-sale investments	-	(1,834)	-	(1,820)
Dividend income from quoted / unquoted securities	(49)	(68)	-	1
Interest expenses	28,492	28,318	4,949	4,877
Exchange differences	1,243	2,566	(4,929)	(406)
Operating cash flow before working capital changes	90,397	109,672	19,875	28,871
Changes in operating assets and liabilities:				
Other financial assets / liabilities, at fair value through profit or loss	12,061	3,515	7,978	10,240
Trade, outstanding contracts and other receivables	25,926	(36,314)	411,042	488,455
Trade, outstanding contracts and other payables	295,996	71,534	(240,188)	(281,432)
Cash generated from operations	424,380	148,407	198,707	246,134
Interest paid	(28,492)	(28,318)	(4,949)	(4,877)
Income tax paid	(7,812)	(11,641)	(3,322)	(4,550)
<b>Net cash provided by operating activities</b>	388,076	108,448	190,436	236,707
<b>Investing activities</b>				
Payments for property, plant and equipment	(4,605)	(2,627)	(3,196)	(778)
Proceeds from disposal of property, plant and equipment	208	52	23	1
Proceeds from capital redemption of available-for-sale investments	267	-	47	-
Proceeds from disposal of available-for-sale investments	-	5,214	-	5,168
Acquisition of business	(15,935)	-	(15,935)	-
Dividends received from quoted / unquoted securities	49	68	-	(1)
<b>Net cash (used in) / from investing activities</b>	(20,016)	2,707	(19,061)	4,390
<b>Financing activities</b>				
(Repayment) / drawdown of short-term bank loans	(235,839)	20,204	(73,277)	(262,836)
Payment to non-controlling interests for additional interest in a subsidiary	(297)	-	(221)	-
Payment to non-controlling interests for dividend	(302)	(356)	7	-
Dividends paid	(20,458)	(6,861)	-	-
<b>Net cash (used in) / from financing activities</b>	(256,896)	12,987	(73,491)	(262,836)

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 30/09/2016 S\$'000	9 months ended 30/09/2015 S\$'000	3 months ended 30/09/2016 S\$'000	3 months ended 30/09/2015 S\$'000
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1,243)	(2,566)	4,929	406
<b>Net increase/(decrease) in cash and cash equivalents during the financial period</b>	109,921	121,576	102,813	(21,333)
Cash and cash equivalents at beginning of the financial period	372,201	171,491	379,309	314,400
<b>Cash and cash equivalents at end of the financial period</b>	<b>482,122</b>	<b>293,067</b>	<b>482,122</b>	<b>293,067</b>

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

	The Group	
	As at 30/09/2016 S\$'000	As at 30/09/2015 S\$'000
Cash and bank balances	485,412	297,169
Less: Bank overdrafts	(3,290)	(4,102)
Cash and cash equivalents per consolidated cash flow statement	<b>482,122</b>	<b>293,067</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 2016</b>	<b>141,326</b>	<b>1,678</b>	<b>(276)</b>	<b>1,355</b>	<b>(35,737)</b>	<b>1,201,962</b>	<b>1,310,308</b>	<b>19,031</b>	<b>1,329,339</b>
<b>Total comprehensive income for first quarter</b>									
Profit for the period	-	-	-	-	-	14,162	14,162	295	14,457
Other comprehensive income	-	(39)	-	12	(18,425)	-	(18,452)	(450)	(18,902)
<b>Total</b>	<b>-</b>	<b>(39)</b>	<b>-</b>	<b>12</b>	<b>(18,425)</b>	<b>14,162</b>	<b>(4,290)</b>	<b>(155)</b>	<b>(4,445)</b>
<b>Balance at 31 March 2016</b>	<b>141,326</b>	<b>1,639</b>	<b>(276)</b>	<b>1,367</b>	<b>(54,162)</b>	<b>1,216,124</b>	<b>1,306,018</b>	<b>18,876</b>	<b>1,324,894</b>
<b>Total comprehensive income for second quarter</b>									
Profit for the period	-	-	-	-	-	15,994	15,994	242	16,236
Other comprehensive income	-	(1)	-	(130)	(1,907)	-	(2,038)	(5)	(2,043)
<b>Total</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(130)</b>	<b>(1,907)</b>	<b>15,994</b>	<b>13,956</b>	<b>237</b>	<b>14,193</b>
Acquisition of additional interest in a subsidiary	-	2	63	-	-	-	65	(141)	(76)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	(309)	(309)
Final dividend for 2015 paid	14,289	-	-	-	-	(34,747)	(20,458)	-	(20,458)
<b>Balance at 30 June 2016</b>	<b>155,615</b>	<b>1,640</b>	<b>(213)</b>	<b>1,237</b>	<b>(56,069)</b>	<b>1,197,371</b>	<b>1,299,581</b>	<b>18,663</b>	<b>1,318,244</b>
<b>Total comprehensive income for third quarter</b>									
Profit for the period	-	-	-	-	-	14,660	14,660	523	15,183
Other comprehensive income	-	42	-	-	7,332	411	7,785	559	8,344
<b>Total</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>7,332</b>	<b>15,071</b>	<b>22,445</b>	<b>1,082</b>	<b>23,527</b>
Acquisition of additional interest in a subsidiary	-	7	144	-	-	-	151	(372)	(221)
Payment of dividend by a subsidiary	-	-	-	-	-	-	-	7	7
<b>Balance at 30 September 2016</b>	<b>155,615</b>	<b>1,689</b>	<b>(69)</b>	<b>1,237</b>	<b>(48,737)</b>	<b>1,212,442</b>	<b>1,322,177</b>	<b>19,380</b>	<b>1,341,557</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 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>
Total comprehensive income the first quarter									
Profit for the period	-	-	-	-	-	18,031	18,031	707	18,738
Other comprehensive income	-	88	-	30	16,589	-	16,707	950	17,657
Total	-	88	-	30	16,589	18,031	34,738	1,657	36,395
<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>
Total comprehensive income for second quarter									
Profit for the period	-	-	-	-	-	23,496	23,496	242	23,738
Other comprehensive income	-	(99)	-	(225)	(15,861)	-	(16,185)	(1,093)	(17,278)
Total	-	(99)	-	(225)	(15,861)	23,496	7,311	(851)	6,460
Payment of dividends by a subsidiary	-	-	-	-	-	-	-	(356)	(356)
Final dividend for 2014 paid	30,649	-	-	-	-	(37,510)	(6,861)	-	(6,861)
<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>
Total comprehensive (expense)/Income for third quarter									
Profit for the period	-	-	-	-	-	19,800	19,800	328	20,128
Other comprehensive income	-	(28)	-	(1,467)	16,985	-	15,490	(324)	15,166
Total	-	(28)	-	(1,467)	16,985	19,800	35,290	4	35,294
<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 COMPANY**

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2016</b>	<b>141,326</b>	<b>198,443</b>	<b>339,769</b>
Total comprehensive loss for first quarter	-	(1,784)	(1,784)
<b>Balance at 31 March 2016</b>	<b>141,326</b>	<b>196,659</b>	<b>337,985</b>
Total comprehensive income for second quarter	-	2,178	2,178
Final dividend for 2015 paid	14,289	(34,747)	(20,458)
<b>Balance at 30 June 2016</b>	<b>155,615</b>	<b>164,090</b>	<b>319,705</b>
Total comprehensive income for third quarter	-	455	455
<b>Balance at 30 September 2016</b>	<b>155,615</b>	<b>164,545</b>	<b>320,160</b>

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2015</b>	<b>110,677</b>	<b>190,670</b>	<b>301,347</b>
Total comprehensive loss 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>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary shares	Number of shares			
	9 months ended 30/09/2016	9 months ended 30/09/2015	3 months ended 30/09/2016	3 months ended 30/09/2015
Balance at beginning of period	772,155,868	750,214,907	783,453,546	772,155,868
Issue of shares under scrip dividend scheme	11,297,678	21,940,961	-	-
<b>Balance at end of period</b>	<b>783,453,546</b>	<b>772,155,868</b>	<b>783,453,546</b>	<b>772,155,868</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 2016	31 December 2015
No. of shares	783,453,546	772,155,868

**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 2015.

**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 30/9/2016	9 months ended 30/09/2015	3 months ended 30/09/2016	3 months ended 30/09/2015
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	5.77 cents	8.08 cents	1.87 cents	2.56 cents
(ii) On a fully diluted basis	5.77 cents	8.08 cents	1.87 cents	2.56 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 30/9/2016	As at 31/12/2015	As at 30/9/2016	As at 31/12/2015
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	168.76 cents	169.69 cents	40.87 cents	44.00 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

#### **3Q16 vs 3Q15**

Trading volumes in major regional markets where we operate remained low. The Group recorded a pre-tax profit of S\$17.9 million and after tax profit of S\$15.2 million, a decrease of 25%.

Commission income fell from S\$58.0 million to S\$51.2 million, reflecting a decrease of 11.8%. Interest income reduced 6.4% from S\$21.0 million to S\$19.6 million with lower financing activities. Other operating revenue increased 11.7% from S\$5.3 million to S\$5.9 million with higher corporate finance activities.

Overall commission and personnel expenses fell due to lower business volume. Commission dropped 2.2% from S\$12.4 million to S\$12.1 million, a smaller decrease relative to reduction in income, due to conversion of employed dealers to remisiers.

#### **9M16 vs 9M15**

The group recorded profit before tax of S\$54.2 million and profit after tax of S\$45.9 million, a decrease of 26.7% .

Market sentiment remained cautious over unexciting economic prospects. Commission income decreased from S\$179.9 million to S\$146.7 million, a decrease of 18.4%. Interest income reduced from S\$79.3 million to S\$78.2 million. Other operating revenue decreased 22.5% from S\$23.1 million to S\$17.9 million with lower corporate finance activities.

Commission expenses declined by 11.2% from S\$37.1 million to S\$32.9 million and personnel expenses reduced 14.7% from S\$89.9 million to S\$76.7 million, in line with lower business volumes. Other operating expenses declined 4.5% from S\$49.4 million to S\$47.1 million.

**Balance Sheet**

The Group's financial health remains strong with net asset value as at 30 September 2016 of S\$1.3 billion. There were no significant changes in the composition of Group balance sheet items except for working capital items and goodwill arising from an acquisition of a stockbroking business in Thailand during the quarter.

**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 investors to maintain a more risk adverse approach given the many prevailing uncertainties, including volatile currency fluctuations. We therefore expect trading volume to remain low.

**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 2016.

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

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

**15 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 2016 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**  
**15 November 2016**