



**UOB-KAY HIAN HOLDINGS LIMITED**

Financial Statements

And Dividend Announcement

For Full Year Ended 31 December 2019

(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					
	12 months ended	12 months ended	Increase / (Decrease) %	3 months ended	3 months ended	Increase / (Decrease) %
	31/12/2019	31/12/2018		31/12/2019	31/12/2018	
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Revenue</b>						
Commission income	212,885	238,094	(10.6)	61,049	45,460	34.3
Interest income	128,342	110,890	15.7	37,328	31,235	19.5
Dividend from quoted / unquoted securities	1,237	110	1,024.5	157	48	227.1
Other operating revenue	30,258	25,879	16.9	8,533	9,340	(8.6)
<b>Total revenue</b>	<b>372,722</b>	<b>374,973</b>	<b>(0.6)</b>	<b>107,067</b>	<b>86,083</b>	<b>24.4</b>
Foreign exchange gain	7,897	7,353	7.4	1,313	2,931	(55.2)
<b>Total income</b>	<b>380,619</b>	<b>382,326</b>	<b>(0.4)</b>	<b>108,380</b>	<b>89,014</b>	<b>21.8</b>
<b>Costs and expenses</b>						
Commission expenses	(48,136)	(53,807)	(10.5)	(13,141)	(11,786)	11.5
Personnel expenses	(124,327)	(130,366)	(4.6)	(33,735)	(33,819)	(0.2)
Depreciation expenses	(14,481)	(9,018)	60.6	(1,941)	(2,296)	(15.5)
Allowance for impairment of goodwill	(1,246)	(1,049)	18.8	(306)	(252)	21.4
Allowance for impairment of trade debtors & bad debts written off	(48)	(72)	(33.3)	(122)	(103)	18.4
Net fair value gain (loss) on financial assets / liabilities through profit or loss	1,028	(575)	N.M	1,175	36	N.M
Finance expenses	(48,817)	(36,978)	32.0	(15,717)	(12,022)	30.7
Other operating expenses	(66,150)	(64,073)	3.2	(20,506)	(15,710)	30.5
	<b>(302,177)</b>	<b>(295,938)</b>	<b>2.1</b>	<b>(84,293)</b>	<b>(75,952)</b>	<b>11.0</b>
<b>Profit before tax</b>	<b>78,442</b>	<b>86,388</b>	<b>(9.2)</b>	<b>24,087</b>	<b>13,062</b>	<b>84.4</b>
Income tax expense*	(9,160)	(10,592)	(13.5)	(4,059)	(1,738)	133.5
<b>Profit after tax</b>	<b>69,282</b>	<b>75,796</b>	<b>(8.6)</b>	<b>20,028</b>	<b>11,324</b>	<b>76.9</b>
<b>Other comprehensive income / (expense) (net of tax):</b>						
Foreign currency translation difference	7,470	10,432	(28.4)	(9,120)	(1,028)	787.2
Actuarial (loss) gain on defined benefit plan	(75)	473	N.M	(75)	473	N.M
	<b>7,395</b>	<b>10,905</b>	<b>(32.2)</b>	<b>(9,195)</b>	<b>(555)</b>	<b>N.M</b>
<b>Total comprehensive income for the period</b>	<b>76,677</b>	<b>86,701</b>	<b>(11.6)</b>	<b>10,833</b>	<b>10,769</b>	<b>0.6</b>

\*Over (Under) provision of taxation in respect of prior years in the 12 months ended 31 December 2019 is \$18,473. [12 months ended 31 December 2018: (\$98,657)]

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					Increase / (Decrease) %
	12 months ended 31/12/2019 S\$'000	12 months ended 31/12/2018 S\$'000		3 months ended 31/12/2019 S\$'000	3 months ended 31/12/2018 S\$'000	
<b>Profit attributable to :</b>						
Owners of the Company	69,186	74,832	(7.5)	20,038	11,281	77.6
Non-controlling interests	96	964	(90.0)	(10)	43	N.M
	<b>69,282</b>	<b>75,796</b>	(8.6)	<b>20,028</b>	<b>11,324</b>	76.9
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	75,258	85,184	(11.7)	10,887	10,762	1.2
Non-controlling interests	1,419	1,517	(6.5)	(54)	7	N.M
	<b>76,677</b>	<b>86,701</b>	(11.6)	<b>10,833</b>	<b>10,769</b>	0.6

**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 31/12/2019 S\$'000	As at 31/12/2018 S\$'000	As at 31/12/2019 S\$'000	As at 31/12/2018 S\$'000
<b>ASSETS</b>				
<b><u>Current assets</u></b>				
Cash and bank balances	449,153	663,754	1,513	184
Outstanding contracts receivable	570,935	463,703	-	-
Trade and other receivables	2,311,657	1,994,905	-	-
Other financial assets, at fair value through profit or loss	70,903	35,766	-	-
Other current assets	48,251	48,123	168,028	70,679
Derivative financial instruments	36,747	40,922	-	-
<b>Total current assets</b>	<b>3,487,646</b>	<b>3,247,173</b>	<b>169,541</b>	<b>70,863</b>
<b><u>Non-current assets</u></b>				
Trade and other receivables	45,183	2,517	202	205
Goodwill and other intangibles	16,704	14,825	-	-
Subsidiaries	-	-	364,868	364,205
Other financial assets, at fair value through profit or loss	1,337	1,304	-	-
Right-of-use asset	17,935	-	-	-
Trading rights in Exchanges	95	95	-	-
Memberships in Exchanges	240	225	-	-
Property, plant and equipment	38,644	36,689	-	-
Deferred tax assets	1,478	1,051	-	-
<b>Total non-current assets</b>	<b>121,616</b>	<b>56,706</b>	<b>365,070</b>	<b>364,410</b>
<b>Total assets</b>	<b>3,609,262</b>	<b>3,303,879</b>	<b>534,611</b>	<b>435,273</b>
<b>LIABILITIES AND EQUITY</b>				
<b><u>Current liabilities</u></b>				
Outstanding contracts payable	546,675	446,965	-	-
Trade and other payables	355,584	162,727	137,491	50,576
Borrowings	829,460	977,252	400	400
Debts issued	292,386	197,504	-	-
Income tax payable	8,210	7,782	306	77
Derivative financial instruments	36,726	40,945	-	-
<b>Total current liabilities</b>	<b>2,069,041</b>	<b>1,833,175</b>	<b>138,197</b>	<b>51,053</b>
<b><u>Non-current liabilities</u></b>				
Trade and other payables	13,006	-	-	-
Deferred tax liabilities	2,194	1,346	-	-
<b>Total non-current liabilities</b>	<b>15,200</b>	<b>1,346</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>2,084,241</b>	<b>1,834,521</b>	<b>138,197</b>	<b>51,053</b>
<b><u>Equity</u></b>				
Capital, reserves and non-controlling interests				
Share capital	201,500	184,265	201,500	184,265
Reserves	(14,538)	(20,822)	-	-
Retained earnings	1,318,369	1,287,150	194,914	199,955
Equity attributable to owners of the Company	1,505,331	1,450,593	396,414	384,220
Non-controlling interests	19,690	18,765	-	-
<b>Total equity</b>	<b>1,525,021</b>	<b>1,469,358</b>	<b>396,414</b>	<b>384,220</b>
<b>Total liabilities and equity</b>	<b>3,609,262</b>	<b>3,303,879</b>	<b>534,611</b>	<b>435,273</b>
<b><u>Clients' trust / segregated accounts</u></b>				
Bank balances				
- with related parties	1,044,103	786,260	-	-
- with non-related banks	1,536,256	1,644,595	-	-
Margin with clearing houses	71,553	51,005	-	-
Debt securities	31,031	19,676	-	-
Less: Amounts held in trust	(2,682,943)	(2,501,536)	-	-
	-	-	-	-

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

	The Group			
	As at 31/12/2019		As at 31/12/2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amounts repayable in one year or less, or on demand	816,296	13,164	977,174	78
Debts issued	-	292,386	-	197,504

As at period end, the Group had debts issued amounting to S\$292,385,644 (December 2018: S\$197,504,251). 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\$816,296,383 (12 months ended 31 December 2018: S\$977,173,564) 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			
	12 months ended 31/12/2019	12 months ended 31/12/2018	3 months ended 31/12/2019	3 months ended 31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	78,442	86,388	24,087	13,062
Adjustments for:				
Depreciation expenses	14,481	9,018	1,941	2,296
Net (gain) loss on disposal of property, plant and equipment	(16)	(496)	74	-
Allowance for trade receivables	81	99	102	112
Allowance for impairment in goodwill	1,246	1,049	306	252
Fair value loss on non-current financial assets at fair value through profit or loss	-	293	-	293
Dividend income from quoted / unquoted securities	(1,237)	(110)	(157)	(48)
Interest expenses	48,817	36,978	15,717	12,022
Exchange differences	3,812	2,062	5,639	314
Operating cash flow before working capital changes	145,626	135,281	47,709	28,303
Changes in operating assets and liabilities:				
Other financial assets / liabilities, at fair value through profit or loss	(34,936)	(3,797)	(25,240)	13,818
Trade, outstanding contracts and other receivables	(473,919)	90,399	(434,271)	(200,951)
Debts issued	95,509	38,437	4,352	17,639
Trade, outstanding contracts and other payables	298,555	(452,283)	206,630	(35,708)
Cash from (used in) operations	30,835	(191,963)	(200,820)	(176,899)
Interest paid	(48,817)	(36,978)	(15,717)	(12,022)
Income tax paid	(8,287)	(10,215)	(2,361)	(2,016)
<b>Net cash (used in) operating activities</b>	(26,269)	(239,156)	(218,898)	(190,937)
<b>Investing activities</b>				
Payments for property, plant and equipment	(11,968)	(4,360)	(6,718)	(1,710)
Payment for intangible assets	(2,277)	-	(2,277)	-
Acquisition of business	-	(7,259)	-	(2,582)
Proceeds from disposal of property, plant and equipment	236	1,328	7	5
Dividends received from quoted / unquoted securities	1,237	110	157	48
<b>Net cash (used in) investing activities</b>	(12,772)	(10,181)	(8,831)	(4,239)
<b>Financing activities</b>				
Drawdown of short-term bank loans	(156,500)	313,979	136,706	171,500
Payment to non-controlling interests for additional interest in a subsidiary	(161)	(1,056)	2	2
Payment to non-controlling interests for dividend	(194)	(236)	-	-
Lease payment	(2,942)	-	508	-
Dividends paid	(20,659)	(21,366)	-	-
<b>Net cash (used in) from financing activities</b>	(180,456)	291,321	137,216	171,502

**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			
	12 months ended 31/12/2019	12 months ended 31/12/2018	3 months ended 31/12/2019	3 months ended 31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(3,812)	(2,062)	(5,639)	(314)
<b>Net (decrease) / increase in cash and cash equivalents during the financial period</b>	(223,309)	39,922	(96,152)	(23,988)
Cash and cash equivalents at beginning of the financial period	658,411	618,489	531,254	682,399
<b>Cash and cash equivalents at end of the financial period</b>	<b>435,102</b>	<b>658,411</b>	<b>435,102</b>	<b>658,411</b>

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

	The Group	
	As at 31/12/2019	As at 31/12/2018
	S\$'000	S\$'000
Cash and bank balances	449,153	663,754
Less: Bank overdrafts	(14,051)	(5,343)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>435,102</b>	<b>658,411</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 2019</b>	<b>184,265</b>	<b>1,957</b>	<b>1,443</b>	<b>-</b>	<b>(24,222)</b>	<b>1,287,150</b>	<b>1,450,593</b>	<b>18,765</b>	<b>1,469,358</b>
Profit for the year	-	-	-	-	-	69,186	69,186	96	69,282
Other comprehensive income	-	129	-	-	6,017	(74)	6,072	1,323	7,395
<b>Total</b>	<b>-</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>6,017</b>	<b>69,112</b>	<b>75,258</b>	<b>1,419</b>	<b>76,677</b>
Final Dividend for 2018 paid	17,235	-	-	-	-	(37,894)	(20,659)	-	(20,659)
Transfer to statutory reserve	-	(1)	-	-	-	1	-	-	-
Acquisition of additional interest in a subsidiary	-	4	135	-	-	-	139	(300)	(161)
Payment of dividends by a subsidiary	-	-	-	-	-	-	-	(194)	(194)
<b>Balance at 31 December 2019</b>	<b>201,500</b>	<b>2,089</b>	<b>1,578</b>	<b>-</b>	<b>(18,205)</b>	<b>1,318,369</b>	<b>1,505,331</b>	<b>19,690</b>	<b>1,525,021</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 2018</b>	167,565	1,827	813	1,046	(34,105)	1,249,189	1,386,335	19,195	1,405,530
Impact of adopting SFRS(I)9 (Note A)	-	-	-	(1,046)	-	831	(215)	-	(215)
Restated opening balance under SFRS(I) 9	167,565	1,827	813	-	(34,105)	1,250,020	1,386,120	19,195	1,405,315
Total comprehensive income for the year									
Profit for the period	-	-	-	-	-	74,832	74,832	964	75,796
Other comprehensive income	-	46	-	-	9,883	423	10,352	553	10,905
<b>Total</b>	-	46	-	-	9,883	75,255	85,184	1,517	86,701
Transfer to statutory reserve	-	59	-	-	-	(59)	-	-	-
Payment of dividend by subsidiary	-	-	-	-	-	-	-	(236)	(236)
Final dividend for 2017 paid	16,700	-	-	-	-	(38,066)	(21,366)	-	(21,366)
Acquisition of additional interest in a subsidiary	-	25	630	-	-	-	655	(1,711)	(1056)
<b>Balance at 31 December 2018</b>	184,265	1,957	1,443	-	(24,222)	1,287,150	1,450,593	18,765	1,469,358

**Note A**

The Group and company applied SFRS(I) 9 on 1 January 2018 and early adopted the amendments to SFRS(I) 9 on the same date. Under SFRS(I) 9, equity investments securities held for long-term strategic purposes that were classified as available-for sale under FRS 39 were designated as fair value through profit or loss on 1 January 2018. Accordingly, “Available-for-sale investments” on the statement of financial position had been redesignated as “Other financial assets, at fair value through profit or loss”.

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 2019</b>	<b>184,265</b>	<b>199,955</b>	<b>384,220</b>
Total comprehensive income for the financial year	-	32,853	32,853
Final dividend for 2018 paid	17,235	(37,894)	(20,659)
<b>Balance at 31 December 2019</b>	<b>201,500</b>	<b>194,914</b>	<b>396,414</b>

	Share capital S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance at 1 January 2018</b>	<b>167,565</b>	<b>208,125</b>	<b>375,690</b>
Total comprehensive income for the financial year	-	29,896	29,896
Final dividend for 2017 paid	16,692	(38,058)	(21,366)
Reclassification of dividend paid in prior years	8	(8)	-
<b>Balance at 31 December 2018</b>	<b>184,265</b>	<b>199,955</b>	<b>384,220</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			
	12 months ended 31/12/2019	12 months ended 31/12/2018	3 months ended 31/12/2019	3 months ended 31/12/2018
<b>Ordinary shares</b>				
<b>Balance at beginning of period</b>	<b>806,195,039</b>	<b>792,820,312</b>	<b>821,680,133</b>	<b>806,195,039</b>
Issue of shares under scrip dividend scheme	15,485,094	13,374,727	-	-
<b>Balance at end of period</b>	<b>821,680,133</b>	<b>806,195,039</b>	<b>821,680,133</b>	<b>806,195,039</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.

	31 December 2019	31 December 2018
No. of shares	821,680,133	806,195,039

**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 2018 except as disclosed in Note 5 below.

**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.**

In the current financial year, the Group and the Company have adopted the following new SFRS(I)s, which took effect from the financial year beginning 1 January 2019:

- SFRS(I) 16 *Leases*

The Group has applied SFRS(I) 16 using the modified retrospective method as of 1 January 2019, with no restatement of comparative information. The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease and has chosen to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 January 2019.

**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.**

	<b>The Group</b>			
	<b>12 months ended 31/12/2019</b>	<b>12 months ended 31/12/2018</b>	<b>3 months ended 31/12/2019</b>	<b>3 months ended 31/12/2018</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	8.49 cents	9.35 cents	2.44 cents	1.40 cents
(ii) On a fully diluted basis	8.49 cents	9.35 cents	2.44 cents	1.40 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.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 31/12/2019</b>	<b>As at 31/12/2018</b>	<b>As at 31/12/2019</b>	<b>As at 31/12/2018</b>
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	183.20 cents	179.93 cents	48.24 cents	47.66 cents

*Net asset value is derived after deducting 2.4 cents (December 2018: 2.3 cents) per share attributable to non-controlling interests.*

- 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**

**4Q19 vs 4Q18**

The Group recorded a pre-tax profit of \$24.1m and after tax profit of \$20.0m, an increase of 84.4% and 76.9% respectively. Market sentiment and trading volumes were generally higher across major markets where we have a presence as trade tensions eased towards the end of the quarter. In line with higher market volumes, commission income grew 34.3% from \$45.1m to \$61.0m

Interest income rose from \$31.2m to \$37.3m as a result of higher income from structured financing activities. Other operating revenue reduced by 8.6% from \$9.3m to \$8.5m with lower corporate finance activities.

Total costs and expenses expanded 11.0% from \$76.0m to \$84.3m. Commissions paid increased by 11.5% to \$13.1m from \$11.8m with higher business volumes. Finance expenses were higher due to higher funding requirements. Included in other operating expenses was a \$3.5m adjustment from depreciation expenses following the implementation of SFRS(I)16, without which other operating expenses would be \$17.0m, an increase of 8.3% over the corresponding quarter.

**FY19 vs FY18**

Trading volumes across regional markets were lower than the previous year, overshadowed by trade tensions for a good part of the year. The Group's full year pre-tax profit decreased 9.2% from \$86.4m to \$78.4m and after tax profit decreased by 8.6% from \$75.8m to \$69.3m.

Commission income declined by 10.6% from \$238.1m to \$212.9m. Interest income rose 15.7% from \$110.9m to \$128.3m with more financing activities. Other operating income grew 16.9% from \$25.9m to \$30.3m with more lending activities.

Commission expenses fell 10.5% from \$53.8m to \$48.1m while personnel expenses decreased by 4.6% from \$130.4m to \$124.3m with lower commission income. Finance expenses increased 32.0% from \$37.0m to \$48.8m mainly due to higher structured lending activities

**Balance Sheet**

As of 31 December 2019 our Group's net assets were \$1.53b (2018: \$1.47b)

There were no significant changes in the composition of Group balance sheet items except for trade related balances.

- 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.**

2019 was a challenging year for Asian markets, impacted primarily by the protracted Sino-US trade war and resulting in weaker trade figures. The announcement of Phase One of the Sino-US trade agreement in December 2019 brought a sense of relief and renewed optimism to investors.

The Covid-19 outbreak has however significantly disrupted the consumer, hospitality and transportation sectors of regional economies, and also curtailed supply chain and construction activities due to China's necessary quarantine and related measures. We expect the GDP numbers for 1H20 to be negatively impacted, the extent of which will depend on how quickly the outbreak can be contained.

The recent political development in Malaysia has also resulted in uncertainties for business operations there.

We are therefore cautious about our group's business prospects for the current year.

**11 Dividend**

**(a) Current Financial Period Reported On**

*Any dividend declared for the current financial period (quarter) reported on?* **Yes**

The Directors are pleased to propose that a first and final one-tier tax exempt dividend of 4.2 cents per share be paid for the financial year ended 31 December 2019 and the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme will be applicable to this proposed 2019 first and final dividend.

Name of Dividend	First and Final
Dividend Type	Cash / Scrip
Dividend Amount per	4.2 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

*Any dividend declared for the corresponding period (quarter) of the immediately preceding financial year?* **Yes**

Name of Dividend	First and Final
Dividend Type	Cash / Scrip
Dividend Amount per	4.7 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

**(c) Date payable**

The proposed first and final ordinary dividend will be paid on 23 June 2020, subject to the approval of the shareholders of the Company at the Annual General Meeting to be convened at 5.30 p.m. on 28 April 2020 at the Auditorium, 8 Anthony Road, Singapore 229957.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders to the proposed first and final dividend at the Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2020 at 5.00 p.m for the purpose of determining shareholders' entitlement to the proposed first and final dividend. The UOB-Kay Hian Holdings Limited Scrip Dividend Scheme will be applicable to this proposed first and final dividend. Shareholders entitled to the dividend will be eligible to participate in the Scheme subject to the terms and conditions of the Scheme.

Duly completed registrable transfers in respect of ordinary shares in the capital of the Company ("Shares") received by the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 up to the close of business at 5.00 p.m. on 6 May 2020, will be registered to determine shareholders' entitlement to the proposed first and final dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with Shares at 5.00 p.m. on 6 May 2020 will be entitled to the proposed first and final dividend.

Shareholders with Foreign Addresses

Shareholders with registered addresses outside Singapore and who have not provided to the Company or CDP, addresses in Singapore for the service of notices and documents by 27 April 2020 will not be eligible to participate in the Scheme.

12 **If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

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 **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	The Group					Total S\$'000
	Singapore S\$'000	Hong Kong S\$'000	Thailand S\$'000	2019 Others S\$'000	Elimination S\$'000	
<b>Revenue</b>						
External sales	115,108	62,494	36,311	30,467	-	244,380
Interest income	61,906	53,181	7,532	5,723	-	128,342
Inter-segmental sales	12,118	(1,084)	1,609	3,703	(16,346)	-
	<u>189,132</u>	<u>114,591</u>	<u>45,452</u>	<u>39,893</u>	<u>(16,346)</u>	<u>372,722</u>
Profit before tax	42,382	31,300	1,344	5,801	(2,385)	78,442
Income tax expense						<u>(9,160)</u>
<b>Profit after tax</b>						<b><u>69,282</u></b>
Segment assets	2,317,718	1,403,319	217,486	269,255	(599,994)	3,607,784
Deferred tax assets						<u>1,478</u>
<b>Consolidated total assets</b>						<b><u>3,609,262</u></b>
Segment liabilities	1,279,479	937,681	62,039	124,335	(329,697)	2,073,837
Current tax liabilities						8,210
Deferred tax liabilities						<u>2,194</u>
<b>Consolidated total liabilities</b>						<b><u>2,084,241</u></b>
<b>Other segment items</b>						
Goodwill and other intangibles	2,088	-	14,616	-	-	16,704
Finance expense	35,023	14,204	1,213	(1,623)	-	48,817
Capital expenditure	3,692	4,832	2,287	1,157	-	11,968
Depreciation expenses	<u>7,182</u>	<u>1,454</u>	<u>3,869</u>	<u>1,976</u>	<u>-</u>	<u>14,481</u>

14 **Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued)**

	The Group					Total S\$'000
	Singapore S\$'000	Hong Kong S\$'000	Thailand S\$'000	Others S\$'000	Elimination S\$'000	
<b>Revenue</b>						
External sales	127,419	70,177	33,931	32,556	-	264,083
Interest income	51,302	46,800	6,704	6,084	-	110,890
Inter-segmental sales	8,289	(653)	2,625	4,391	(14,652)	-
	<u>187,010</u>	<u>116,324</u>	<u>43,260</u>	<u>43,031</u>	<u>(14,652)</u>	<u>374,973</u>
Profit before tax	38,735	32,719	8,394	7,296	(756)	86,388
Income tax expense						<u>(10,592)</u>
<b>Profit after tax</b>						<u><b>75,796</b></u>
Segment assets	1,662,944	1,352,674	232,959	240,915	(186,664)	3,302,828
Deferred tax assets						<u>1,051</u>
<b>Consolidated total assets</b>						<u><b>3,303,879</b></u>
Segment liabilities	840,694	919,791	87,470	93,199	(115,761)	1,825,393
Current tax liabilities						<u>7,782</u>
Deferred tax liabilities						<u>1,346</u>
<b>Consolidated total liabilities</b>						<u><b>1,834,521</b></u>
<b>Other segment items</b>						
Goodwill	-	-	14,825	-	-	14,825
Finance expense	24,780	11,704	682	999	(1,187)	36,978
Capital expenditure	1,203	809	1,458	890	-	4,360
Depreciation expenses	<u>6,173</u>	<u>353</u>	<u>1,769</u>	<u>723</u>	<u>-</u>	<u>9,018</u>

15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

See Note 8.

**16 Breakdown of revenue**

	The Group		%
	For the year ended 31/12/2019	For the year ended 31/12/2018	
Revenue reported for first half year	171,928	205,510	(16.3)
Operating profit after tax but before non-controlling interests reported for first half year	28,713	46,459	(38.2)
Revenue reported for second half year	200,794	169,463	18.5
Operating profit after tax but before non-controlling interests reported for second half year	40,569	29,337	38.3

**17 Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

	2019 S\$'000	2018 S\$'000
Ordinary	34,511	37,891
Preference	-	-
<b>Total</b>	<b>34,511</b>	<b>37,891</b>

**18 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).

**19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to Rule 704(11).**

Name	Age	Family relationship with any director, CEO and / or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr. Lim Seng Bee	54	Brother-in-law of Wee Ee Chao (Chairman and substantial shareholder)	Senior Executive Director of UOB Kay Hian Private Limited since January 2013 <ul style="list-style-type: none"> <li>- involved in general management of the Singapore operations</li> <li>- responsible for the management of the regional business in North Asia</li> </ul>	N.A

**BY ORDER OF THE BOARD**

**Wee Ee-chao  
Managing Director  
26 February 2020**