



UOB-KAY HIAN HOLDINGS LIMITED

Financial Statements

And Dividend Announcement

For Full Year Ended 31 December 2012

(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) |
| | 31/12/2012 | 31/12/2011 | % | 31/12/2012 | 31/12/2011 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Revenue | | | | | | |
| Commission income | 233,036 | 276,981 | (15.9) | 60,707 | 55,962 | 8.5 |
| Interest income | 74,654 | 83,994 | (11.1) | 20,157 | 22,857 | (11.8) |
| Dividend from quoted / unquoted securities | 127 | 579 | (78.1) | - | 341 | N.M |
| Other operating income | 17,672 | 15,540 | 13.7 | 5,449 | 5,398 | 0.9 |
| Total operating income | 325,489 | 377,094 | (13.7) | 86,313 | 84,558 | 2.1 |
| Foreign exchange gain | 3,487 | 9,236 | (62.2) | 1,278 | 3,499 | (63.5) |
| Realised loss on financial assets, available-for-sale | - | (82) | N.M | - | (82) | N.M |
| Total revenue | 328,976 | 386,248 | (14.8) | 87,591 | 87,975 | (0.4) |
| Costs and expenses | | | | | | |
| Commission expenses | (57,235) | (70,965) | (19.3) | (14,461) | (14,135) | 2.3 |
| Personnel expenses | (98,643) | (105,599) | (6.6) | (30,170) | (27,114) | 11.3 |
| Depreciation and amortisation expenses | (10,084) | (9,652) | 4.5 | (2,453) | (2,544) | (3.6) |
| Reversal of / (Allowance for) impairment of trade debtors & bad debts written off | 281 | (4,203) | (106.7) | 579 | (1,790) | (132.3) |
| Allowance for impairment in financial assets, available-for-sale | - | (247) | N.M | - | (247) | N.M |
| Allowance for impairment in investments | (6,669) | - | N.M | (6,669) | - | N.M |
| Net fair value gain / (loss) on financial assets / liabilities through profit or loss | 2,504 | (1,363) | (283.7) | (458) | 1,084 | (142.3) |
| Finance expenses | (23,269) | (31,343) | (25.8) | (7,435) | (11,629) | (36.1) |
| Other operating expenses | (56,121) | (53,927) | 4.1 | (14,421) | (14,771) | 2.4 |
| Total costs and expenses | (249,236) | (277,299) | (10.1) | (75,488) | (71,146) | 6.1 |
| Profit before tax | 79,740 | 108,949 | (26.8) | 12,103 | 16,829 | (28.1) |
| Income tax expense* | (12,444) | (15,700) | (20.7) | (1,984) | 779 | (354.7) |
| Profit after tax | 67,296 | 93,249 | (27.8) | 10,119 | 17,608 | (42.5) |
| Other comprehensive income (net of tax): | | | | | | |
| Foreign currency translation difference | (21,853) | (1,016) | (2,050.9) | (175) | (578) | (69.7) |
| Available-for-sale financial assets | 1,379 | 132 | 944.7 | 181 | (201) | (190.0) |
| | (20,474) | (884) | 2,216.1 | 6 | (779) | (100.8) |
| Total comprehensive income for the period | 46,822 | 92,365 | (49.3) | 10,125 | 16,829 | (39.8) |

*Under / (Over) provision of taxation in respect of prior years in the 12 months ended 31 December 2012 is \$47,374. (12 months ended 31 December 2011: (\$4,011,910))

N.M. = Not Meaningful.

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

COMPREHENSIVE INCOME STATEMENT
(continued)

| | The Group | | | | | |
|--|----------------------------------|----------------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------------|
| | 12 months ended 31/12/2012 | 12 months ended 31/12/2011 | Increase / (Decrease) % | 3 months ended 31/12/2012 | 3 months ended 31/12/2011 | Increase / (Decrease) % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Profit attributable to : | | | | | | |
| Owners of the Company | 65,727 | 91,935 | (28.5) | 9,743 | 17,489 | (44.3) |
| Non-controlling interests | 1,569 | 1,314 | 19.4 | 376 | 119 | 216.0 |
| | 67,296 | 93,249 | (27.8) | 10,119 | 17,608 | (42.5) |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 45,808 | 92,075 | (50.2) | 9,614 | 17,040 | (43.6) |
| Non-controlling interests | 1,014 | 290 | 249.7 | 511 | (211) | (342.2) |
| | 46,822 | 92,365 | (49.3) | 10,125 | 16,829 | (39.8) |

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

| | The Group | | The Company | |
|--|------------------|------------------|-----------------|-----------------|
| | 2012 S\$'000 | 2011 S\$'000 | 2012 S\$'000 | 2011 S\$'000 |
| ASSETS | | | | |
| <u>Current assets</u> | | | | |
| Cash and bank balances | 246,907 | 357,746 | 396 | 5,228 |
| Outstanding contracts receivable | 797,772 | 404,040 | - | - |
| Trade receivables | 1,436,307 | 1,229,849 | - | - |
| Other financial assets, at fair value through profit or loss | 31,578 | 30,149 | - | - |
| Other current assets | 32,861 | 22,873 | 22,703 | 19,778 |
| Derivative financial instruments | 25 | 14 | - | - |
| Total current assets | 2,545,450 | 2,044,671 | 23,099 | 25,006 |
| <u>Non-current assets</u> | | | | |
| Trade and other receivables | - | 79,292 | 183 | - |
| Subsidiaries | - | - | 265,854 | 243,273 |
| Goodwill | 4,606 | 5,188 | - | - |
| Financial assets, available-for-sale | 19,819 | 13,821 | - | - |
| Trading rights in Exchanges | 574 | 97 | - | - |
| Memberships in Exchanges | 220 | 441 | - | - |
| Property, plant and equipment | 63,146 | 65,231 | - | - |
| Deferred tax assets | 1,650 | 724 | - | - |
| Total non-current assets | 90,015 | 164,794 | 266,037 | 243,273 |
| Total assets | 2,635,465 | 2,209,465 | 289,136 | 268,279 |
| LIABILITIES AND EQUITY | | | | |
| <u>Current liabilities</u> | | | | |
| Outstanding contracts payable | 741,792 | 377,162 | - | - |
| Trade and other payables | 104,269 | 96,646 | 45,705 | 18,743 |
| Borrowings | 329,044 | 308,752 | - | - |
| Debts issued | 333,033 | 295,711 | - | - |
| Income tax payable | 12,955 | 16,652 | - | - |
| Derivative financial instruments | 2,512 | 679 | - | - |
| Total current liabilities | 1,523,605 | 1,095,602 | 45,705 | 18,743 |
| <u>Non-current liabilities</u> | | | | |
| Trade and other payables | 3,135 | 3,636 | - | - |
| Deferred tax liabilities | 1,212 | 1,834 | - | - |
| Total non-current liabilities | 4,347 | 5,470 | - | - |
| Total liabilities | 1,527,952 | 1,101,072 | 45,705 | 18,743 |
| <u>Equity</u> | | | | |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 72,471 | 72,471 | 72,471 | 72,471 |
| Reserves | (62,996) | (43,174) | - | - |
| Retained earnings | 1,076,092 | 1,057,501 | 170,960 | 177,065 |
| Equity attributable to owners of the Company | 1,085,567 | 1,086,798 | 243,431 | 249,536 |
| Non-controlling interests | 21,946 | 21,595 | - | - |
| Total equity | 1,107,513 | 1,108,393 | 243,431 | 249,536 |
| Total liabilities and equity | 2,635,465 | 2,209,465 | 289,136 | 268,279 |
| <u>Clients' trust / segregated accounts</u> | | | | |
| Bank balances | | | | |
| - with affiliated corporations | 283,475 | 181,430 | - | - |
| - with non-related banks | 527,591 | 628,485 | - | - |
| Margin with clearing houses | 19,127 | 12,976 | - | - |
| Less: Amounts held in trust | (830,193) | (822,891) | - | - |
| | - | - | - | - |

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

| | The Group | | | |
|---|--------------------|----------------------|--------------------|----------------------|
| | As at 31/12/2012 | | As at 31/12/2011 | |
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amounts repayable in one year or less, or on demand | 263,818 | 65,226 | 207,857 | 100,895 |
| Amounts repayable after one year | - | - | - | - |

As at period end, the Group had debts issued amounting to S\$333,033,360. 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\$263,817,837 are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | The Group | | | |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|
| | 12 months ended 31/12/2012 | 12 months ended 31/12/2011 | 3 months ended 31/12/2012 | 3 months ended 31/12/2011 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Operating activities | | | | |
| Profit before tax | 79,740 | 108,949 | 12,103 | 16,829 |
| Adjustments for: | | | | |
| Depreciation expenses | 10,084 | 9,652 | 2,453 | 2,544 |
| (Gain) / loss on disposal of property, plant and equipment | (67) | 78 | (60) | 99 |
| Realised loss on sale of financial assets, available-for-sale | - | 82 | - | 82 |
| Allowance for impairment in financial assets, available-for-sale | - | 247 | - | 247 |
| Allowance for impairment in investments | 6,669 | - | 6,669 | - |
| Dividend income from quoted / unquoted securities | (127) | (579) | - | (341) |
| Finance expenses | 23,269 | 31,343 | 7,435 | 11,629 |
| Exchange differences | (19,539) | (6,066) | (1,312) | 6,032 |
| Operating cash flow before working capital changes | 100,029 | 143,706 | 27,288 | 37,121 |
| Changes in operating assets and liabilities: | | | | |
| Other financial assets / liabilities at fair value through profit or loss | (1,429) | (1,961) | 1,078 | 7,830 |
| Trade, outstanding contracts and other receivables | (484,520) | 889,020 | 173,975 | 372,870 |
| Trade, outstanding contracts and other payables | 370,404 | (480,615) | (120,930) | (249,784) |
| Cash (used in) generated from operations | (15,516) | 550,150 | 81,411 | 168,037 |
| Interest paid | (23,269) | (31,343) | (7,435) | (11,629) |
| Income tax paid | (18,247) | (24,267) | (3,203) | (6,725) |
| Net cash (used in) provided by operating activities | (57,032) | 494,540 | 70,773 | 149,683 |
| Investing activities | | | | |
| Payments for property, plant and equipment | (4,747) | (3,442) | (911) | (905) |
| Net (payment for) / proceeds from disposal of financial assets, available-for-sale | (5,344) | 1,581 | (1,103) | (167) |
| Proceeds from disposal of property, plant and equipment | 137 | 116 | 114 | (27) |
| Payment to non-controlling interests for dividend | (255) | (245) | - | 1 |
| Acquisition of subsidiary | (15,156) | (19,139) | (103) | (4,291) |
| Dividends received from quoted / unquoted securities | 127 | 579 | - | 341 |
| Net cash (used in) investing activities | (25,238) | (20,550) | (2,003) | (5,048) |
| Financing activities | | | | |
| (Repayment) of short-term bank loans | (1,222) | (329,708) | (38,290) | (46,482) |
| Dividends paid | (47,106) | (68,847) | - | - |
| Payment to non-controlling interests for additional interest in a subsidiary | (341) | (947) | - | (199) |
| Net cash (used in) financing activities | (48,669) | (399,502) | (38,290) | (46,681) |

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

| | The Group | | | |
|---|-------------------------------|-------------------------------|------------------------------|------------------------------|
| | 12 months ended 31/12/2012 | 12 months ended 31/12/2011 | 3 months ended 31/12/2012 | 3 months ended 31/12/2011 |
| | 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 | (1,414) | 4,787 | 1,191 | (6,944) |
| Net (decrease) increase in cash and cash equivalents during the financial period | (132,353) | 79,275 | 31,671 | 91,010 |
| Cash and cash equivalents at beginning of the financial period | 353,605 | 274,330 | 189,581 | 262,595 |
| Cash and cash equivalents at end of the financial period | 221,252 | 353,605 | 221,252 | 353,605 |

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

| | The Group | |
|--|---------------------|---------------------|
| | As at 31/12/2012 | As at 31/12/2011 |
| | S\$'000 | S\$'000 |
| Cash and bank balances | 246,907 | 357,746 |
| Less: Bank overdrafts | (25,655) | (4,141) |
| Cash and cash equivalents per consolidated cash flow statement | 221,252 | 353,605 |

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 |
|--|-----------------------------|---------------------------------|------------------------------|----------------------------------|--|---------------------------------|---|---|----------------------------|
| Balance at 1 January 2012 | 72,471 | 1,541 | (1,592) | 1,074 | (44,197) | 1,057,501 | 1,086,798 | 21,595 | 1,108,393 |
| Total comprehensive (loss) / income for the financial year | - | (39) | - | 1,373 | (21,253) | 65,727 | 45,808 | 1,014 | 46,822 |
| Acquisition of additional interest in a subsidiary | - | 9 | 58 | - | - | - | 67 | (408) | (341) |
| Payment of dividend by a subsidiary | - | - | - | - | - | - | - | (255) | (255) |
| Final dividend for 2011 paid | - | - | - | - | - | (43,483) | (43,483) | - | (43,483) |
| Interim dividend for 2012 paid | - | - | - | - | - | (3,623) | (3,623) | - | (3,623) |
| Transfer to statutory reserve | - | 30 | - | - | - | (30) | - | - | - |
| Balance at 31 December 2012 | 72,471 | 1,541 | (1,534) | 2,447 | (65,450) | 1,076,092 | 1,085,567 | 21,946 | 1,107,513 |

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 |
|--|--------------------------|------------------------------|---------------------------|-------------------------------|---|------------------------------|---|--------------------------------------|-------------------------|
| Balance at 1 January 2011 | 72,471 | 1,317 | (1,819) | 935 | (44,249) | 1,034,666 | 1,063,321 | 20,320 | 1,083,641 |
| Total comprehensive (loss) income for the financial year | - | (51) | - | 139 | 52 | 91,935 | 92,075 | 290 | 92,365 |
| Acquisition of additional interest in a subsidiary | - | 22 | 227 | - | - | - | 249 | (1,196) | (947) |
| Payment of dividend by a subsidiary | - | - | - | - | - | - | - | (245) | (245) |
| Final dividend for 2010 paid | - | - | - | - | - | (65,224) | (65,224) | - | (65,224) |
| Interim dividend for 2011 paid | - | - | - | - | - | (3,623) | (3,623) | - | (3,623) |
| Acquisition of subsidiary | - | - | - | - | - | - | - | 2,426 | 2,426 |
| Transfer to statutory reserve | - | 253 | - | - | - | (253) | - | - | - |
| Balance at 31 December 2011 | 72,471 | 1,541 | (1,592) | 1,074 | (44,197) | 1,057,501 | 1,086,798 | 21,595 | 1,108,393 |

STATEMENT OF CHANGES IN EQUITY – THE COMPANY

| | Share capital S\$'000 | Retained earnings S\$'000 | Total S\$'000 |
|---|--------------------------|------------------------------|------------------|
| Balance at 1 January 2012 | 72,471 | 177,065 | 249,536 |
| Total comprehensive income for the financial year | - | 41,001 | 41,001 |
| Final dividend for 2011 paid | - | (43,483) | (43,483) |
| Interim dividend for 2012 paid | - | (3,623) | (3,623) |
| Balance at 31 December 2012 | 72,471 | 170,960 | 243,431 |

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 *(continued)*

| | Share capital S\$'000 | Retained earnings S\$'000 | Total S\$'000 |
|---|-----------------------------|---------------------------------|------------------|
| Balance at 1 January 2011 | 72,471 | 178,105 | 250,576 |
| Total comprehensive income for the financial year | - | 67,807 | 67,807 |
| Final dividend for 2010 paid | - | (65,224) | (65,224) |
| Interim dividend for 2011 paid | - | (3,623) | (3,623) |
| Balance at 31 December 2011 | 72,471 | 177,065 | 249,536 |

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

NIL

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

| | 31 December 2012 | 31 December 2011 |
|---------------|------------------|------------------|
| No. of shares | 724,709,009 | 724,709,009 |

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 2011.

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

Not applicable

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

| | The Group | | | |
|---|------------|-------------|------------------------------|------------------------------|
| | 2012 | 2011 | 3 months ended 31/12/2012 | 3 months ended 31/12/2011 |
| 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 | 9.07 cents | 12.69 cents | 1.35 cents | 2.42 cents |
| (ii) On a fully diluted basis | 9.07 cents | 12.69 cents | 1.35 cents | 2.42 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 | |
|---|--------------|--------------|-------------|-------------|
| | 2012 | 2011 | 2012 | 2011 |
| Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on | 149.79 cents | 149.96 cents | 33.59 cents | 34.43 cents |

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affect the turnovers, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Operating Profit and Expenses

4Q12 vs 4Q11

Market sentiment remained subdued in the early part of 4Q12 because of uncertainties in the Euro zone, fiscal cliff issues in US and slow down in the Chinese economy.

Improved investor sentiment in the later part of the quarter helped to increase market turnover and consequently resulted in a 8.5% increase in commission income from \$56m to \$60.7m.

Interest income fell 11.8% from \$22.9m to \$20.1m with lower lending activities. Foreign exchange gain fell significantly by 63.5% from \$3.5m to \$1.3m as the result of the appreciation of the Sing dollar against all major and regional currencies.

Total costs and expenses increased by 6.1%. Commission and personnel expenses increased by 2.3% and 11.3% respectively, in line with the increase in commission income of 8.5%. The \$6.7m charge related mainly to a \$6m write off for the trading rights in a subsidiary. Finance expenses were lower due to lower funding requirements.

The Group recorded pre-tax profit of \$12.1m and after-tax profit of \$10.1m, a decrease of 28.1% and 42.5% respectively. There was a write back of prior year tax provision in 4Q11 but not this period.

2012 vs 2011

Regional markets, especially Hong Kong, remained sluggish in 2012 with low daily market turnover. Retail investors remained guarded and stayed away from equities.

The Group recorded a 14.8% decline in total revenue from \$386.2m to \$329.0m and commission income fell by 15.9% from \$277.0m to \$233.0m. Interest income decreased 11.1% from \$84.0m to \$74.7m. Other operating income rose 13.7% from \$15.5m to \$17.7m due to an increase in corporate finance and related activities.

Total costs and expenses declined 10.1% along with the decline in revenue. Commission and personnel expenses reduced 19.3% and 6.6% respectively with lower business activities. Finance expenses fell 25.8% from \$31.3m to \$23.3m mainly due to lower working capital requirements.

The Group recorded pre-tax profit of \$79.7m and after-tax profit of \$67.3m, a decline of 26.8% and 27.8% respectively.

Balance Sheet

As of 31 December 2012 the Group had net assets of \$1.1b.

There were no significant changes in the composition of Group balance sheet items.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The resurgent market in late 4Q12 saw our brokerage volume increased over the comparative period in 2011. Investor optimism is expected to continue for most of the 1Q13.

We expect 2013 to enjoy higher trading volumes due to the following factors:-

- (i) central banks continue their accommodative stance,
- (ii) clearer political landscape in US and China,
- (iii) gradual return of investor interest in global equities.

Sporadic bouts of volatility are likely to punctuate the generally more favourable equity market conditions expected over the next 12 months as there are still concerns on the macroeconomic fronts, particularly over growth prospects in Europe.

11 Dividend

(a) Current Financial Year Reported On

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

| | | |
|---------------------|----------------------------|-----------------------------|
| Name of Dividend | Proposed Final | Interim |
| Dividend Type | Cash | Cash |
| Dividend Amount per | 4 cents per ordinary share | 0.5 cent per ordinary share |
| Tax Rate | Tax exempt (one-tier) | 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 | Proposed Final | Interim |
| Dividend Type | Cash | Cash |
| Dividend Amount per | 6 cents per ordinary share | 0.5 cent per ordinary share |
| Tax Rate | Tax exempt (one-tier) | Tax exempt (one-tier) |

(c) Date payable

The final ordinary dividend will be paid on 23 May 2013, subject to the approval of shareholders of the Company at the Annual General Meeting to be convened at 5.30 pm on 26 April 2013 at the Auditorium, 8 Anthony Road, Singapore 229957.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 10 May 2013 for the preparation of Dividend Warrants. Registrable transfers received by the Company's Registrar, B.A.C.S. Private Limited of 63 Cantonment Road, Singapore 089758 no later than 5.00pm on 9 May 2013, will be registered before entitlements to the dividends are determined.

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 | | | | | |
|---------------------------------------|----------------|---------------|---------------|----------------|-----------------|-------------------------|
| | Singapore | Hong Kong | Thailand | 2012 Others | Elimination | Total |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | | | | | | |
| External sales | 171,804 | 43,919 | 23,843 | 11,269 | - | 250,835 |
| Interest income | 50,125 | 15,800 | 5,905 | 2,824 | - | 74,654 |
| Inter-segmental sales | 6,760 | (591) | 4,954 | 5,541 | (16,664) | - |
| | <u>228,689</u> | <u>59,128</u> | <u>34,702</u> | <u>19,634</u> | <u>(16,664)</u> | <u>325,489</u> |
| Profit before tax | 55,487 | 14,346 | 8,825 | 952 | 130 | 79,740 |
| Income tax expense | | | | | | <u>(12,444)</u> |
| Profit after tax | | | | | | <u>67,296</u> |
| Segment assets | 2,075,973 | 507,989 | 196,054 | 95,918 | (242,119) | 2,633,815 |
| Deferred tax assets | | | | | | <u>1,650</u> |
| Consolidated total assets | | | | | | <u>2,635,465</u> |
| Segment liabilities | 1,264,187 | 233,633 | 101,879 | 47,965 | (133,879) | 1,513,785 |
| Current tax liabilities | | | | | | 12,955 |
| Deferred tax liabilities | | | | | | <u>1,212</u> |
| Consolidated total liabilities | | | | | | <u>1,527,952</u> |
| Other segment items | | | | | | |
| Goodwill | - | - | 4,606 | - | - | 4,606 |
| Finance expense | 21,792 | 244 | 1,094 | 139 | - | 23,269 |
| Capital expenditure | 1,014 | 599 | 1,173 | 1,961 | - | 4,747 |
| Depreciation expenses | <u>8,124</u> | <u>367</u> | <u>931</u> | <u>662</u> | <u>-</u> | <u>10,084</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*)**

| | Singapore S\$'000 | Hong Kong S\$'000 | Thailand S\$'000 | The Group | | Total S\$'000 |
|---------------------------------------|----------------------|----------------------|---------------------|---------------------------|------------------------|-------------------------|
| | | | | 2011 Others S\$'000 | Elimination S\$'000 | |
| Revenue | | | | | | |
| External sales | 194,513 | 64,280 | 22,420 | 11,887 | - | 293,100 |
| Interest income | 57,485 | 17,123 | 5,308 | 4,078 | - | 83,994 |
| Inter-segmental sales | 9,184 | (422) | 5,696 | 5,262 | (19,720) | - |
| | <u>261,182</u> | <u>80,981</u> | <u>33,424</u> | <u>21,227</u> | <u>(19,720)</u> | <u>377,094</u> |
| Profit before tax | 81,121 | 18,496 | 8,497 | 2,731 | (1,896) | 108,949 |
| Income tax expense | | | | | | <u>(15,700)</u> |
| Profit after tax | | | | | | <u>93,249</u> |
| Segment assets | 1,685,931 | 503,973 | 140,497 | 94,166 | (215,826) | 2,208,741 |
| Deferred tax assets | | | | | | <u>724</u> |
| Consolidated total assets | | | | | | <u>2,209,465</u> |
| Segment liabilities | 841,569 | 228,810 | 49,263 | 56,561 | (93,617) | 1,082,586 |
| Current tax liabilities | | | | | | <u>16,652</u> |
| Deferred tax liabilities | | | | | | <u>1,834</u> |
| Consolidated total liabilities | | | | | | <u>1,101,072</u> |
| Other segment items | | | | | | |
| Goodwill | - | - | 5,188 | - | - | 5,188 |
| Finance expense | 28,924 | 629 | 744 | 1,046 | - | 31,343 |
| Capital expenditure | 1,360 | 328 | 895 | 854 | - | 3,437 |
| Depreciation expenses | <u>8,009</u> | <u>281</u> | <u>903</u> | <u>459</u> | <u>-</u> | <u>9,652</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 Item 8.

16 Breakdown of revenue

| | The Group | | % Increase / (Decrease) |
|---|--|--|------------------------------------|
| | For the year ended 31/12/2012 | For the year ended 31/12/2011 | |
| Revenue reported for first half year | 159,779 | 199,788 | (20.0) |
| Operating profit after tax but before non-controlling interests reported for first half year | 36,395 | 52,020 | (30.0) |
| Revenue reported for second half year | 165,710 | 177,306 | (6.5) |
| Operating profit after tax but before non-controlling interests reported for second half year | 30,901 | 41,229 | (25.1) |

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

| | 2012 S\$'000 | 2011 S\$'000 |
|--------------|-------------------------|-------------------------|
| Ordinary | 32,612 | 47,106 |
| Preference | - | - |
| Total | 32,612 | 47,106 |

18 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 officer 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 | 47 | Brother-in-law of Wee Ee Chao (Chairman and substantial shareholder) | Executive Director of UOB Kay Hian Private Limited since June 2005 <ul style="list-style-type: none"> - involved in general management of the Singapore operations - responsible for the management of the regional business in North Asia | N.A |

BY ORDER OF THE BOARD

Wee Ee-chao
Managing Director
27 February 2013