



**UOB-KAY HIAN HOLDINGS LIMITED**

Condensed Interim Financial Statements

For The Six Months Ended 30 June 2021

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	<u>Note</u>	<u>The Group</u>	
		6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<b>Revenue</b>	17	339,695	269,475
Net foreign exchange gain		7,179	7,555
Commission expense		(70,847)	(48,375)
Staff costs	18	(92,123)	(72,977)
Finance expense	19	(26,826)	(26,447)
Other operating expenses	20	(51,224)	(42,079)
<b>Profit before income tax</b>		<u>105,854</u>	<u>87,152</u>
Income tax expense	21	(11,797)	(10,455)
<b>Profit for the period</b>		<u>94,057</u>	<u>76,697</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u>(2,525)</u>	<u>19,133</u>
<b>Other comprehensive income for the period, net of tax</b>		<u>(2,525)</u>	<u>19,133</u>
<b>Total comprehensive income for the period</b>		<u>91,532</u>	<u>95,830</u>
<b>Profit attributable to:</b>			
Owners of the Company		93,011	75,960
Non-controlling interests		1,046	737
		<u>94,057</u>	<u>76,697</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		91,548	95,040
Non-controlling interests		(16)	790
		<u>91,532</u>	<u>95,830</u>
<b>Earnings per share:</b>			
Basic and diluted	22	<u>11.09 cents</u>	<u>9.24 cents</u>

**UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES**
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION  
30 JUNE 2021**


	Note	The Group		The Company	
		30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash and cash equivalents	7	497,756	509,949	524	761
Outstanding contracts receivable		1,173,991	1,027,752	-	-
Trade and other receivables	8	3,234,595	2,524,049	-	-
Other financial assets, at fair value through profit or loss	9	400,006	121,622	-	-
Other current assets	10	182,798	116,651	157,491	262,846
Derivative financial instruments	11	23,598	54,987	-	-
<b>Total current assets</b>		<b>5,512,744</b>	<b>4,355,010</b>	<b>158,015</b>	<b>263,607</b>
<b>Non-current assets</b>					
Trade and other receivables	8	286,176	223,130	202	198
Goodwill		13,957	14,701	-	-
Other intangible assets		298	895	-	-
Subsidiaries		-	-	363,860	363,860
Right-of-use assets		12,290	14,158	-	-
Other financial assets, at fair value through profit or loss	9	1,537	1,276	-	-
Trading rights in Exchanges		96	95	-	-
Memberships in Exchanges		224	236	-	-
Property, plant and equipment	12	27,794	31,889	-	-
Deferred tax assets		1,572	1,539	-	-
<b>Total non-current assets</b>		<b>343,944</b>	<b>287,919</b>	<b>364,062</b>	<b>364,058</b>
<b>Total assets</b>		<b>5,856,688</b>	<b>4,642,929</b>	<b>522,077</b>	<b>627,665</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Outstanding contracts payable		1,145,958	964,432	-	-
Trade and other payables	13	687,853	415,026	70,275	133,547
Borrowings	14	1,957,897	1,170,402	10,125	14,600
Lease liabilities		4,369	5,458	-	-
Debts issued	15	273,552	314,041	-	-
Income tax payable		22,942	22,734	116	138
Derivative financial instruments	11	23,613	55,008	-	-
<b>Total current liabilities</b>		<b>4,116,184</b>	<b>2,947,101</b>	<b>80,516</b>	<b>148,285</b>
<b>Non-current liabilities</b>					
Trade and other payables	13	22,469	28,012	-	-
Lease liabilities		8,642	9,425	-	-
Deferred tax liabilities		2,141	2,304	-	-
<b>Total non-current liabilities</b>		<b>33,252</b>	<b>39,741</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>4,149,436</b>	<b>2,986,842</b>	<b>80,516</b>	<b>148,285</b>

**UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (cont'd)  
30 JUNE 2021**



	<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
		<u>30 June</u> <u>2021</u> <u>\$'000</u>	<u>31 December</u> <u>2020</u> <u>\$'000</u>	<u>30 June</u> <u>2021</u> <u>\$'000</u>	<u>31 December</u> <u>2020</u> <u>\$'000</u>
<b>EQUITY</b>					
<b>Capital, reserves and non-controlling interests</b>					
Share capital	16	257,415	217,887	257,415	217,887
Reserves		(26,901)	(25,584)	-	-
Retained earnings		1,457,027	1,443,531	184,146	261,493
Equity attributable to owners of the Company		1,687,541	1,635,834	441,561	479,380
Non-controlling interests		19,711	20,253	-	-
Total equity		1,707,252	1,656,087	441,561	479,380
<b>Total liabilities and equity</b>		<b>5,856,688</b>	<b>4,642,929</b>	<b>522,077</b>	<b>627,665</b>
<b>Net asset value per share (cents)</b>		<b>201.63</b>	<b>195.45</b>	<b>52.76</b>	<b>57.28</b>
<b>Clients' trust/segregated accounts</b>					
Bank balances:					
- with related parties		2,559,300	2,183,113	-	-
- with non-related banks		2,062,435	2,248,784	-	-
Margin with clearing house		48,438	65,730	-	-
Investment in government debt securities		94,447	6,402	-	-
Less: Amounts held in trust		(4,764,620)	(4,504,029)	-	-
		-	-	-	-

**UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES**



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

<u>Note</u>	Share capital	Equity reserve	Foreign currency translation reserves	Statutory reserve	Retained earnings	Equity attributable to owners of the Company	Non- controlling interests	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>								
Balance as at 1 January 2021	217,887	1,825	(29,467)	2,058	1,443,531	1,635,834	20,253	1,656,087
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	93,011	93,011	1,046	94,057
Other comprehensive income for the period	-	-	(1,363)	(100)	-	(1,463)	(1,062)	(2,525)
Total	-	-	(1,363)	(100)	93,011	91,548	(16)	91,532
<i>Transactions with owners, recognised directly in equity:</i>								
Final dividend for 2020 paid	39,528	-	-	-	(79,515)	(39,987)	-	(39,987)
Acquisition of additional interest in a subsidiary	-	143	-	3	-	146	(271)	(125)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(255)	(255)
Balance as at 30 June 2021	257,415	1,968	(30,830)	1,961	1,457,027	1,687,541	19,711	1,707,252

**UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

<u>Note</u>	Share capital S\$'000	Equity reserve S\$'000	Foreign currency translation reserves S\$'000	Statutory reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total S\$'000
<b>The Group</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2020	201,500	1,578	(18,205)	2,089	1,318,369	1,505,331	19,690	1,525,021
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	75,960	75,960	737	76,697
Other comprehensive income for the period	-	-	19,071	9	-	19,080	53	19,133
<b>Total</b>	<b>-</b>	<b>-</b>	<b>19,071</b>	<b>9</b>	<b>75,960</b>	<b>95,040</b>	<b>790</b>	<b>95,830</b>
<i>Transactions with owners, recognised directly in equity:</i>								
Final dividend for 2019 paid	16,387	-	-	-	(34,513)	(18,126)	-	(18,126)
Acquisition of additional interest in a subsidiary	-	247	-	6	-	253	(407)	(154)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(19)	(19)
Transfer from statutory reserve	-	-	-	1	(1)	-	-	-
<b>Balance as at 30 June 2020</b>	<b>217,887</b>	<b>1,825</b>	<b>866</b>	<b>2,105</b>	<b>1,359,815</b>	<b>1,582,498</b>	<b>20,054</b>	<b>1,602,552</b>

**UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES**



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

<u>The Company</u>	<u>Note</u>	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance as at 1 January 2021		217,887	261,493	479,380
Profit for the period, representing total comprehensive income for the period		-	2,168	2,168
Final dividend for 2020 paid		39,528	(79,515)	(39,987)
Balance as at 30 June 2021		<u>257,415</u>	<u>184,146</u>	<u>441,561</u>

<u>The Company</u>	<u>Note</u>	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance as at 1 January 2020		201,500	194,914	396,414
Profit for the period, representing total comprehensive income for the period		-	1,484	1,484
Final dividend for 2019 paid		16,387	(34,513)	(18,126)
Balance as at 30 June 2020		<u>217,887</u>	<u>161,885</u>	<u>379,772</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	<u>Note</u>	The Group	
		6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<b>Operating activities</b>			
Profit before income tax		105,854	87,152
Adjustments for:			
Depreciation of property, plant and equipment		6,080	6,117
Depreciation of right-of-use assets		3,061	3,380
Amortisation of other intangible assets		597	597
Net gain on disposal of property, plant and equipment		(21)	(12)
Impairment of goodwill		31	299
Dividend income		(1,310)	(652)
Allowance for trade receivables		811	115
Interest expense	19	26,826	26,447
Exchange differences		(24,651)	(2,943)
Operating cash flows before movements in working capital		117,278	120,500
Changes in operating assets and liabilities:			
Other financial assets, at fair value through profit or loss		(278,902)	(2,011)
Trade, outstanding contracts and other receivables		(957,482)	(624,086)
Trade, outstanding contracts and other payables		417,697	297,507
Debts issued		(40,526)	16,102
Cash used in operations		(741,935)	(191,988)
Interest paid		(26,826)	(26,447)
Income tax paid		(11,753)	(1,875)
Net cash used in operating activities		(780,514)	(220,310)

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	<u>Note</u>	<u>The Group</u>	
		6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
<b>Investing activities</b>			
Payments for property, plant and equipment	12	(2,261)	(1,931)
Payments for intangible assets acquired		-	(1,416)
Proceeds from disposal of property, plant and equipment		35	35
Dividends received from quoted/unquoted securities		1,310	652
Net cash used in investing activities		<u>(916)</u>	<u>(2,660)</u>
<b>Financing activities</b>			
Payment to non-controlling interests for additional interest in a subsidiary		(125)	(154)
Payment to non-controlling interests for dividend		(255)	(19)
Repayment of lease liabilities		(2,542)	(3,199)
Net drawdown of short-term bank loans		763,935	363,497
Dividends paid		(39,987)	(18,126)
Net cash from financing activities		<u>721,026</u>	<u>341,999</u>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		24,651	2,943
Net (decrease) increase in cash and cash equivalents		(35,753)	121,972
Cash and cash equivalents at beginning of the period		<u>503,107</u>	<u>448,266</u>
<b>Cash and cash equivalents at end of the period</b>	<b>7</b>	<u><u>467,354</u></u>	<u><u>570,238</u></u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021****1. CORPORATE INFORMATION**

UOB-KAY HIAN HOLDINGS LIMITED (the Company) is incorporated in Singapore with its principal place of business and registered office at 8 Anthony Road, #01-01, Singapore 229957. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprises the Company and its subsidiaries. The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are stockbroking, futures broking, structured lending, investment trading, margin financing, investment holding and provision of nominee and research services.

**2. BASIS OF PREPARATION**

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and the performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I))s, except for the adoption of new and revised SFRS(I) that are effective for the annual period beginning on 1 January 2021.

The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current financial period.

The condensed interim financial statements are presented in Singapore dollars, which is the functional currency of the Group and Company.

### 3. ACCOUNTING JUDGEMENT AND ESTIMATES

In preparing the interim financial statement, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management is of the opinion that any instances of application of judgements are not expected to have a significant impact on the amounts recognised in the financial statements.

#### (i) *Estimation Uncertainty*

The assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are as below.

##### (a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

##### (b) Impairment of loans and receivables

Management reviews its loans and receivables for Expected credit losses (ECL) at least half yearly. When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. In determining these, management makes judgements as to whether there is observable data indicating that there has been a significant change in the ability of the debtor to repay amounts owing to the Group, or whether there have been significant changes with adverse effect in the economic or legal environment in which the debtor operates in.

Management makes judgements as to whether an impairment loss should be recorded in profit or loss. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate and growth rate in order to calculate present value.

(d) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Management and finance department, in consultation with external experts, determine the appropriate valuation techniques and inputs for fair value measurements.

The Regional Finance and Operations Director reports to the Board of Directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities. These valuations will be approved by the Board of Directors. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 5 to the financial statements.

#### 4. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table sets out the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Note	The Group \$'000	The Company \$'000
<b>At 30 June 2021</b>			
<b>Financial assets</b>			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	9	401,543	-
Designated as at FVTPL	8	299,798	-
At amortised cost (including cash and cash equivalents)			
Derivative financial instruments	11	5,070,016 23,598	158,213 -
<b>Financial liabilities</b>			
At FVTPL:			
Designated as at FVTPL	13,15	303,370	-
At amortised cost			
Lease liabilities		3,788,729	80,400
Derivative financial instruments	11	13,011 23,613	- -
<b>At 31 December 2020</b>			
<b>Financial assets</b>			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	9	122,898	-
Designated as at FVTPL	8	322,917	-
At amortised cost (including cash and cash equivalents)			
Derivative financial instruments	11	4,074,397 54,987	263,801 -
<b>Financial liabilities</b>			
At FVTPL:			
Designated as at FVTPL	13,15	325,530	-
At amortised cost			
Lease liabilities		2,566,382	148,147
Derivative financial instruments	11	14,883 55,008	- -

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

5(i) *Fair value of financial assets and financial liabilities*

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table presents the financial assets and liabilities measured at fair value.

Financial assets/liabilities	Fair value as at (\$'000)				Fair value hierarchy
	30-June-21		31-Dec-20		
	Assets	Liabilities	Assets	Liabilities	
Other financial assets, at fair value through profit or loss (see Note 9)					
Quoted equity securities	132,563	-	46,595	-	Level 1
Quoted debt securities	29,278	-	24,886	-	Level 1
Unquoted equity securities	197	-	208	-	Level 2
Unquoted debt securities	18,368	-	33,204	-	Level 2
Investment in fund	221,137	-	18,005	-	Level 3
Derivative financial instruments (see Note 11)					
Foreign currency forward contracts	11	26	12	33	Level 2
Equity derivatives	23,587	23,587	54,975	54,975	Level 2

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021**

Financial assets/liabilities	Fair value as at (\$'000)				Fair value hierarchy
	30-June-21		31-Dec-20		
	Assets	Liabilities	Assets	Liabilities	
Trade and other receivables (see Note 8)					
Trade receivables designated as at fair value through profit or loss	299,798	-	322,917	-	Level 3
Debts issued (see Note 15)					
Notes issued, designated as at fair value through profit or loss	-	244,636	-	284,876	Level 3
Trade and other payables (see Note 13)					
Trade payables, designated as at fair value through profit or loss	-	58,734	-	40,654	Level 3

Fair value measurements are categorised into Level 1 , 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

### **The Company**

The Company had no financial assets or liabilities carried at fair value in 2021 and 2020.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

### **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity or frequent repricing of these financial instruments. The carrying amount of debts issued and the assets underpinning them approximate their respective fair values due to their relatively short-term maturity or frequent repricing. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

## **6. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

Key management compensation scheme is consistent with that of the previous financial year.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

7. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Bank balances with:				
- Related parties	145,444	153,576	524	761
- Non-related banks	352,267	356,327	-	-
Cash on hand	28	29	-	-
	<u>497,739</u>	<u>509,932</u>	<u>524</u>	<u>761</u>
Fixed deposits with:				
- Related parties	-	-	-	-
- Non-related banks	17	17	-	-
	<u>17</u>	<u>17</u>	<u>-</u>	<u>-</u>
Cash and bank balances	<u>497,756</u>	<u>509,949</u>	<u>524</u>	<u>761</u>

At the end of the reporting period, the carrying amounts of cash and bank balances approximate their fair values.

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

	The Group	
	30 June 2021 \$'000	31 December 2020 \$'000
Cash and bank balances (as above)	497,756	509,949
Less: Bank overdrafts (Note 14)	(30,402)	(6,842)
Cash and cash equivalents per consolidated statement of cash flows	<u>467,354</u>	<u>503,107</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

8. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Trade receivables from third parties:				
At amortised cost	3,223,158	2,426,666	-	-
Designated as at fair value through profit or loss	299,798	322,917	-	-
Less: Allowance for impairment of trade receivables individually assessed	(2,185)	(2,404)	-	-
	3,520,771	2,747,179	-	-
Other receivables from subsidiary:				
At amortised cost	-	-	202	198
	3,520,771	2,747,179	202	198
Current trade and other receivables (recoverable within 12 months)	3,234,595	2,524,049	-	-
Non-current trade and other receivables (recoverable after 12 months)	286,176	223,130	202	198
	3,520,771	2,747,179	202	198

9. OTHER FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 June 2021	31 December 2020
	\$'000	\$'000
Trading securities		
Quoted securities:		
- Debt securities	29,278	24,886
- Equity securities	132,563	46,595
Unquoted securities:		
- Debt securities	18,368	33,204
- Equity securities	197	208
Investment in fund	221,137	18,005
	401,543	122,898
Current financial assets, at fair value through profit or loss	400,006	121,622
Non-current financial assets, at fair value through profit or loss	1,537	1,276
	401,543	122,898

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

10. OTHER CURRENT ASSETS

	The Group		The Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
Amounts due from subsidiaries	-	-	157,431	262,782
Deposits	38,008	40,835	-	-
Prepayments	5,502	4,217	4	4
Amounts deposited with lenders of securities	5,087	3,147	-	-
Other receivables	134,201	68,452	56	60
	<u>182,798</u>	<u>116,651</u>	<u>157,491</u>	<u>262,846</u>

- (a) The non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

The carrying amounts of other current assets approximate their fair values.

11. DERIVATIVE FINANCIAL INSTRUMENTS

	The Group			
	30 June 2021		31 December 2020	
	Assets \$'000	Liabilities \$'000	Assets \$'000	Liabilities \$'000
Forward foreign exchange contracts	11	26	12	33
Equity derivatives	23,587	23,587	54,975	54,975
	<u>23,598</u>	<u>23,613</u>	<u>54,987</u>	<u>55,008</u>

**Forward foreign exchange contracts**

Forward foreign exchange contracts are entered into from time to time to manage exposure to fluctuations in foreign currency exchange rates on trade receivables and payables.

Equity derivative financial instruments arises from customer transactions and are covered back-to-back by offsetting transactions with third party issuers.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021**12. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2021, the Group acquired property, plant and equipment of \$ 2,261,031 (31 December 2020: \$ 5,547,774)

**13. TRADE AND OTHER PAYABLES**

	The Group		The Company	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Trade payables to third parties:				
At amortised cost	489,158	257,981	-	-
Participation trade payables:				
At amortised cost	13,736	20,324	-	-
Designated as at fair value through profit or loss	58,734	40,654	-	-
Accrued operating expenses	96,700	99,067	535	6,509
Amount due to subsidiaries	-	-	69,740	127,038
Other payables	51,994	25,012	-	-
	<u>710,322</u>	<u>443,038</u>	<u>70,275</u>	<u>133,547</u>
Analysed as:				
Current	687,853	415,026	70,275	133,547
Non-current	22,469	28,012	-	-
	<u>710,322</u>	<u>443,038</u>	<u>70,275</u>	<u>133,547</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021**

**14. BORROWINGS**

	The Group		The Company	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2020 \$'000
<i>Current</i>				
Bank overdrafts:				
- with related parties	30,402	6,842	-	-
Short-term bank loans:				
- with related parties	1,084,742	675,516	10,125	14,600
- with non-related banks	842,753	488,044	-	-
	<u>1,927,495</u>	<u>1,163,560</u>	<u>10,125</u>	<u>14,600</u>
Total borrowings	<u>1,957,897</u>	<u>1,170,402</u>	<u>10,125</u>	<u>14,600</u>

Bank borrowings of the Group amounting to \$1,929,207,943 (31 December 2020: \$1,148,988,174) are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

Bank borrowings of the Company amounting to \$10,124,750 (31 December 2020: \$ 14,600,000) are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

The carrying amounts of borrowings approximate their fair values.

**15. DEBTS ISSUED**

	The Group	
	30 June 2021 \$'000	31 December 2020 \$'000
Notes issued:		
At amortised cost	28,916	29,165
Designated as at fair value through profit or loss	244,636	284,876
	<u>273,552</u>	<u>314,041</u>

**16. SHARE CAPITAL**

	The Group and The Company			
	2021	2020	2021	2020
			\$'000	\$'000
Number of ordinary shares				
Issued and paid up:				
At beginning of the period	836,966,171	821,680,133	217,887	201,500
Issue of shares pursuant to Scrip Dividend Scheme	26,440,054	15,286,038	39,528	16,387
At end of the period	<u>863,406,225</u>	<u>836,966,171</u>	<u>257,415</u>	<u>217,887</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

17. REVENUE

	<u>The Group</u>	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Commission income	248,570	183,074
Trading income	6,127	3,209
Interest income:		
- fixed deposits with related parties	1,017	3,178
- fixed deposits with non-related banks	6,554	7,543
- clients	40,437	38,639
- others	2,544	947
	50,552	50,307
Interest income from financial instruments designated as at fair value through profit or loss	13,196	13,461
Dividend income from quoted/unquoted securities	1,310	652
Facility, shares withdrawal and arrangement fees	6,620	6,675
Advisory fees	3,820	2,922
Other operating revenue	9,500	9,175
	<u>339,695</u>	<u>269,475</u>

18. STAFF COSTS

	<u>The Group</u>	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Wages, salaries and other staff costs	88,760	74,711
Less: Wage support from Government grant	(170)	(5,179)
Employers' contribution to employee benefit plans including Central Provident Fund	3,533	3,445
	<u>92,123</u>	<u>72,977</u>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021**

**19. FINANCE EXPENSE**

	<u>The Group</u>	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Interest expense:		
- borrowings from related parties	3,789	6,173
- borrowings from non-related banks	4,389	2,360
- debts issued	16,850	16,286
- lease liabilities	284	358
- others	1,514	1,270
	<u>26,826</u>	<u>26,447</u>

**20. OTHER OPERATING EXPENSES**

	<u>The Group</u>	
	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Net fair value loss on other financial assets, at fair value through profit or loss	3,446	759
Expense relating to short-term leases and low value assets	1,246	718
Marketing and business promotions	3,354	2,082
Communication expenses	13,274	11,806
Contract processing charges	798	578
Information services	4,767	4,570
Depreciation expenses:		
- property, plant and equipment	6,080	6,117
- right-of-use asset	3,061	3,380
Net (gain)/loss on disposal of property, plant and equipment	(21)	(12)
Amortisation of other intangible assets	597	597
Impairment of goodwill	31	299
Maintenance and rental of office equipment	1,037	1,099
Allowance for trade receivables	811	115
Other staff cost	5,462	3,544
General administrative expenses	7,281	6,427
	<u>51,224</u>	<u>42,079</u>

**21. INCOME TAX EXPENSE**

Income tax is based on the statutory tax rates of the respective countries in which the Group operates.

**22. EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share attributable to ordinary owners of the Company is based on the following data:

	6 months ended 30 June 2021 \$'000	6 months ended 30 June 2020 \$'000
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	93,011	75,960
Weighted average number of ordinary shares for the purpose of basic earnings per share	838,426,947	822,355,759
Basic earnings per share	11.09 cents	9.24 cents

Diluted earnings per share is equal to basic earnings per share as there are no potential ordinary shares outstanding as at 30 June 2021 and 31 December 2020.

**23. DIVIDENDS**

No dividend has been recommended for the half year ended 30 June 2021 (30 June 2020: NIL)

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

24. SEGMENT INFORMATION

The Group is organised on a geographical basis, namely Singapore, Hong Kong, Thailand, Malaysia and other countries. The Group provides securities and futures broking and other related services. There is no single external customer that contributes more than 10% of the consolidated revenue.

The measurement basis of the Group's reportable segments is in accordance with its accounting policy as described in Note 2. The information below is also reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's revenue and results by reportable segments:

	Singapore \$'000	Hong Kong \$'000	Thailand \$'000	Malaysia \$'000	Others \$'000	Elimination \$'000	Total \$'000
<u>The Group</u>							
<u>30 June 2021</u>							
<u>Revenue</u>							
- External sales	143,313	61,498	32,759	33,756	4,621	-	275,947
- Interest income	34,312	23,068	2,243	2,510	1,615	-	63,748
- Inter-segment sales	6,159	67	1,137	1,352	756	(9,471)	-
	<u>183,784</u>	<u>84,633</u>	<u>36,139</u>	<u>37,618</u>	<u>6,992</u>	<u>(9,471)</u>	<u>339,695</u>
Segment results	55,980	25,414	10,774	14,191	1,148	(1,653)	<u>105,854</u>
Profit before tax							<u>105,854</u>
Income tax expense							<u>(11,797)</u>
Profit after tax							<u>94,057</u>
Segment assets	3,378,067	2,207,536	261,776	283,090	96,772	(372,125)	5,855,116
Deferred tax assets							<u>1,572</u>
Consolidated total assets							<u>5,856,688</u>
Segment liabilities	2,456,633	1,678,490	99,134	139,543	56,148	(305,595)	4,124,353
Income tax payable							22,942
Deferred tax liabilities							<u>2,141</u>
Consolidated total liabilities							<u>4,149,436</u>
<u>Other segment items</u>							
Capital expenditure	239	142	779	1,041	60	-	2,261
Goodwill	-	-	12,832	1,125	-	-	13,957
Impairment loss	-	-	31	-	-	-	31
Depreciation and amortisation expense	4,335	2,160	2,350	616	277	-	9,738
Finance expense	20,983	5,862	193	437	201	(850)	26,826

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
30 JUNE 2021

	Singapore \$'000	Hong Kong \$'000	Thailand \$'000	Malaysia \$'000	Others \$'000	Elimination \$'000	Total \$'000
<u>The Group</u>							
<u>30 June 2020</u>							
<u>Revenue</u>							
- External sales	112,323	44,179	25,743	21,761	1,682	-	205,688
- Interest income	34,148	23,407	2,959	2,537	736	-	63,787
- Inter-segment sales	5,037	(1,209)	1,096	-	3,645	(8,569)	-
	151,508	66,377	29,798	24,298	6,063	(8,569)	269,475
Segment results	49,618	23,044	7,552	8,053	69	(1,184)	87,152
Profit before tax							87,152
Income tax expense							(10,455)
Profit after tax							76,697
Segment assets	2,472,101	1,654,164	276,830	236,333	65,099	(352,912)	4,351,615
Deferred tax assets							1,565
Consolidated total assets							4,353,180
Segment liabilities	1,620,920	1,150,795	113,864	118,795	33,427	(306,321)	2,731,480
Income tax payable							16,827
Deferred tax liabilities							2,319
Consolidated total liabilities							2,750,626
<u>Other segment items</u>							
Capital expenditure	776	203	230	580	142	-	1,931
Goodwill	-	-	14,341	1,133	-	-	15,474
Impairment loss	-	-	299	-	-	-	299
Depreciation and amortisation expense	4,449	2,178	2,490	564	413	-	10,094
Finance expense	21,412	7,019	357	365	179	(2,885)	26,447

**OTHER INFORMATION**  
**30 June 2021****1. Review**

The consolidated statement of financial position of UOB-KAY HIAN HOLDINGS LIMITED and its subsidiaries as at 30 June 2021 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated of cash flows for the six month period then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of performance of the Group**Operating Profit and Expenses**1H21 vs 1H20**

The Group recorded pre-tax profit of S\$105.9 million and after tax profit of S\$94.1 million, an increase of 21.4% and 22.7% respectively.

Commission and trading income increased from S\$186.3 million to S\$254.7 million, up by 36.7% mainly due to increase market volume across regional and US markets. Other operating income increased 9.8% from S\$19.4 million to S\$21.3 million with more corporate finance activities. Total income rose 26.0% from S\$269.5 million to S\$339.7 million.

Overall commission and personnel expenses increased due to higher business volume. Commission increased 46.3% from S\$48.4 million to S\$70.8 million and personnel expenses rose 26.2% from S\$73.0 million to S\$92.1 million.

Balance Sheet

The Group's net asset value position remained healthy at S\$1.71 billion as at 30 June 2021. There were no significant changes in the composition of Group balance sheet items except for working capital items that fluctuate with prevailing trading volumes towards the end of each reporting period.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**OTHER INFORMATION**  
**30 June 2021**

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The market momentum of 2020 had carried into 1H 2021 and was fuelled largely by liquidity flows under low interest rates from accommodative monetary policies.

Our Group benefited from such positive market conditions resulting in our pre-tax profit growing by 21.4% over 1H 2020.

Despite reassuring rhetoric from the US Federal Reserve, investors remain concerned that the effect of rising inflation and commodity prices could increase interest rates sooner.

Asian markets are also impacted by the increasing policy risks affecting technology companies operating in China. As the China market account for a very significant share of the Asian index weighting, these developments have negatively affected fund flows into the Asian markets.

The effects of the above uncertainties in our regional markets have been compounded by the alarming rise in COVID-19 Delta variant cases globally. The Delta variant is expected to dampen global economic activities from lock-downs and disrupted supply chains.

Therefore, the global economic recovery may occur at a slower pace and in turn moderate regional market trading volumes for the rest of 2021.

We expect to continue to operate profitably.

**5. Dividend information**

There were no dividends declared for the current financial period reported on, or the corresponding period of the immediately preceding financial year

**OTHER INFORMATION**  
**30 June 2021**

**6. Interested person transactions**

No IPT mandate has been obtained.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

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

**8. 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 half year ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wee Ee-chao  
Managing Director

Esmond Choo  
Director

**BY ORDER OF THE BOARD**

**Wee Ee-chao**  
**Managing Director**  
**10 August 2021**