



UOB-KAY HIAN HOLDINGS LIMITED

Condensed Interim Financial Statements

For The Six Months Ended 30 June 2023

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

	<u>Note</u>	<u>The Group</u>	
		6 months	6 months
		ended 30 June 2023 \$'000	ended 30 June 2022 \$'000
Revenue	17	287,827	235,197
Net foreign exchange gain		6,769	9,579
Commission expense		(37,307)	(42,308)
Staff costs	18	(78,605)	(74,235)
Finance expense	19	(31,963)	(14,239)
Other operating expenses	20	(66,396)	(55,605)
Profit before income tax		80,325	58,389
Income tax expense	21	(10,764)	(5,967)
Profit for the period		69,561	52,422
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(2,887)	5,048
Other comprehensive income for the period, net of tax		(2,887)	5,048
Total comprehensive income for the period		66,674	57,470
Profit attributable to:			
Owners of the Company		69,322	51,762
Non-controlling interests		239	660
		69,561	52,422
Total comprehensive income attributable to:			
Owners of the Company		66,747	57,368
Non-controlling interests		(73)	102
		66,674	57,470
Earnings per share:			
Basic and diluted	22	7.83 cents	5.99 cents

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
30 JUNE 2023**


	Note	The Group		The Company	
		30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
<u>ASSETS</u>					
Current assets					
Cash and cash equivalents	7	1,020,429	1,244,057	1,088	519
Outstanding contracts receivable		848,259	713,035	-	-
Trade and other receivables	8	1,922,667	1,739,528	-	-
Other financial assets, at fair value through profit or loss	9	260,979	280,959	-	-
Other current assets	10	58,558	53,325	372,124	378,982
Derivative financial instruments	11	53,050	30,429	-	-
Total current assets		4,163,942	4,061,333	373,212	379,501
Non-current assets					
Trade and other receivables	8	88,683	210,942	204	201
Goodwill		11,592	12,149	-	-
Subsidiaries		-	-	363,860	363,860
Right-of-use assets		18,375	20,037	-	-
Other financial assets, at fair value through profit or loss	9	1,195	1,133	-	-
Trading rights in Exchanges		92	91	-	-
Memberships in Exchanges		205	208	-	-
Property, plant and equipment	12	12,422	15,444	-	-
Deferred tax assets		1,710	1,676	-	-
Total non-current assets		134,274	261,680	364,064	364,061
Total assets		4,298,216	4,323,013	737,276	743,562
<u>LIABILITIES</u>					
Current liabilities					
Outstanding contracts payable		835,027	669,572	-	-
Trade and other payables	13	426,252	378,733	48,490	56,340
Borrowings	14	860,755	1,143,179	167,858	136,493
Lease liabilities		5,144	5,045	-	-
Debts issued	15	238,769	238,956	-	-
Income tax payable		15,613	17,551	706	702
Derivative financial instruments	11	52,985	30,432	-	-
Total current liabilities		2,434,545	2,483,468	217,054	193,535
Non-current liabilities					
Trade and other payables	13	13,938	21,618	-	-
Lease liabilities		14,485	15,961	-	-
Deferred tax liabilities		1,909	1,869	-	-
Total non-current liabilities		30,332	39,448	-	-
Total liabilities		2,464,877	2,522,916	217,054	193,535

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (cont'd)
30 JUNE 2023**


	<u>Note</u>	The Group		The Company	
		30 June 2023 \$'000	31 December 2022 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
EQUITY					
Capital, reserves and non-controlling interests					
Share capital	16	309,073	288,619	309,073	288,619
Reserves		(52,534)	(50,261)	-	-
Retained earnings		1,558,256	1,541,947	211,149	261,408
Equity attributable to owners of the Company		1,814,795	1,780,305	520,222	550,027
Non-controlling interests		18,544	19,792	-	-
Total equity		1,833,339	1,800,097	520,222	550,027
Total liabilities and equity		4,298,216	4,323,013	737,276	743,562
Net asset value per share (cents)		201.05	201.04	57.63	62.14
Clients' trust/segregated accounts					
Bank balances:					
- with related parties		2,239,864	2,447,009	-	-
- with non-related banks		1,960,998	2,294,900	-	-
Margin with clearing house		56,831	140,428	-	-
Investment in government debt securities		28,070	5,702	-	-
Less: Amounts held in trust		(4,285,763)	(4,888,039)	-	-
		-	-	-	-

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

<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 2023	288,619	1,968	(54,057)	1,828	1,541,947	1,780,305	19,793	1,800,098
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	69,322	69,322	239	69,561
Other comprehensive income for the period	-	-	(2,577)	2	-	(2,575)	(312)	(2,887)
Total	-	-	(2,577)	2	69,322	66,747	(73)	66,674
<i>Transactions with owners, recognised directly in equity:</i>								
Final dividend for 2022 paid	27,243	-	-	-	(53,013)	(25,770)	-	(25,770)
Acquisition of additional interest in a subsidiary	-	290	-	12	-	302	(978)	(676)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(198)	(198)
Share buyback	(6,789)	-	-	-	-	(6,789)	-	(6,789)
Balance as at 30 June 2023	309,073	2,258	(56,634)	1,842	1,558,256	1,814,795	18,544	1,833,339

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

<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
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2022	257,415	1,968	(34,725)	1,899	1,515,983	1,742,540	19,995	1,762,535
<i>Total comprehensive income for the period:</i>								
Profit for the period	-	-	-	-	51,762	51,762	660	52,422
Other comprehensive income for the period	-	-	5,661	(55)	-	5,606	(558)	5,048
Total	-	-	5,661	(55)	51,762	57,368	102	57,470
<i>Transactions with owners, recognised directly in equity:</i>								
Final dividend for 2021 paid	34,650	-	-	-	(75,983)	(41,333)	-	(41,333)
Payment of dividend by a subsidiary	-	-	-	-	-	-	(407)	(407)
Transfer to statutory reserve	-	-	-	13	(13)	-	-	-
Balance as at 30 June 2022	292,065	1,968	(29,064)	1,857	1,491,749	1,758,575	19,690	1,778,265

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

<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 2023		288,619	261,408	550,027
Profit for the period, representing total comprehensive income for the period		-	2,754	2,754
Share buyback		(6,789)	-	(6,789)
Final dividend for 2022 paid		27,243	(53,013)	(25,770)
Balance as at 30 June 2023		<u>309,073</u>	<u>211,149</u>	<u>520,222</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 2022		257,415	284,174	541,589
Profit for the period, representing total comprehensive income for the period		-	2,995	2,995
Final dividend for 2021 paid		34,650	(75,983)	(41,333)
Balance as at 30 June 2022		<u>292,065</u>	<u>211,186</u>	<u>503,251</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<u>Note</u>	The Group	
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Operating activities			
Profit before income tax		80,325	58,389
Adjustments for:			
Depreciation of property, plant and equipment		4,890	5,727
Depreciation of right-of-use assets		3,104	3,198
Net gain on disposal of property, plant and equipment		(48)	(18)
Impairment of goodwill		315	105
Dividend income		(707)	(453)
Allowance for (write back of) trade receivables		17,846	(3,849)
Interest expense	19	31,963	14,239
Exchange differences		14,388	(21,039)
Operating cash flows before movements in working capital		152,076	56,299
Changes in operating assets and liabilities:			
Other financial assets, at fair value through profit or loss		25,615	167,629
Trade, outstanding contracts and other receivables		(248,600)	391,202
Trade, outstanding contracts and other payables		226,929	218,397
Debts issued		(188)	(14,641)
Cash from operations		155,832	818,886
Interest paid		(31,577)	(14,239)
Income tax paid		(12,702)	(9,455)
Net cash from operating activities		111,553	795,192

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	<u>Note</u>	The Group	
		6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Investing activities			
Payments for property, plant and equipment	12	(2,155)	(1,470)
Proceeds from disposal of property, plant and equipment		57	27
Dividends received from quoted/unquoted securities		707	453
Net cash used in investing activities		<u>(1,391)</u>	<u>(990)</u>
Financing activities			
Payment to non-controlling interests for additional interest in a subsidiary		(676)	-
Payment to non-controlling interests for dividend		(198)	(407)
Repayment of lease liabilities		(3,545)	(3,725)
Net (repayment) drawdown of short-term bank loans		(299,475)	(255,827)
Dividends paid		(25,770)	(41,333)
Purchase of treasury share		(6,789)	-
Net cash used in financing activities		<u>(336,453)</u>	<u>(301,292)</u>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(14,388)	21,039
Net (decrease) increase in cash and cash equivalents		(240,679)	513,949
Cash and cash equivalents at beginning of the period		1,233,202	538,425
Cash and cash equivalents at end of the period	7	<u><u>992,523</u></u>	<u><u>1,052,374</u></u>

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 2023 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 2023 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 2022.

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 2023.

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 trade and other receivables

Management reviews its trade and other 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. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. 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. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. 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 2023

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table sets out the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Note	The Group \$'000	The Company \$'000
At 30 June 2023			
Financial assets			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	9	262,174	-
Designated as at FVTPL	8	213,999	-
At amortised cost (including cash and cash equivalents)			
Derivative financial instruments	11	3,719,066 53,050	373,411 -
Financial liabilities			
At FVTPL:			
Designated as at FVTPL	13,15	230,863	-
At amortised cost			
Lease liabilities		2,143,878	216,348
Derivative financial instruments	11	19,629 52,985	- -
At 31 December 2022			
Financial assets			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	9	282,092	-
Designated as at FVTPL	8	217,307	-
At amortised cost (including cash and cash equivalents)			
Derivative financial instruments	11	3,740,353 30,429	379,697 -
Financial liabilities			
At FVTPL:			
Designated as at FVTPL	13,15	219,419	-
At amortised cost			
Lease liabilities		2,232,639	192,833
Derivative financial instruments	11	21,006 30,432	- -

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

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-23		31-Dec-22		
	Assets	Liabilities	Assets	Liabilities	
Other financial assets, at fair value through profit or loss (see Note 9)					
Quoted equity securities	101,404	-	131,519	-	Level 1
Quoted debt securities	20,086	-	25,843	-	Level 1
Unquoted equity securities	180	-	183	-	Level 2
Unquoted debt securities	23,134	-	13,022	-	Level 2
Unquoted investment in private fund	5,016	-	4,740	-	Level 3
Unit Trusts	24,587	-	15,280	-	Level 1
Government debt securities	87,767	-	91,505	-	Level 1
Derivative financial instruments (see Note 11)					
Foreign currency forward contracts	90	25	7	10	Level 2
Equity derivatives	52,960	52,960	30,422	30,422	Level 2

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023**

Financial assets/liabilities	Fair value as at (\$'000)				Fair value hierarchy
	30-June-23		31-Dec-22		
	Assets	Liabilities	Assets	Liabilities	
Trade and other receivables (see Note 8)					
Loan receivables designated as at fair value through profit or loss	213,999	-	217,307	-	Level 3
Debts issued (see Note 15)					
Notes issued, designated as at fair value through profit or loss	-	194,505	-	195,907	Level 3
Trade and other payables (see Note 13)					
Trade payables, designated as at fair value through profit or loss	-	36,358	-	23,512	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 2023 and 2022.

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.

The Group has banking facilities from United Overseas Bank Limited Group (which is defined in the SGX-ST listing manual as a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company) in the normal course of business.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

7. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Bank balances with:				
- Related parties	250,007	303,477	1,088	519
- Non-related banks	629,674	682,477	-	-
Cash on hand	25	22	-	-
	<u>879,706</u>	<u>985,976</u>	<u>1,088</u>	<u>519</u>
Fixed deposits with:				
- Non-related banks	140,723	258,081	-	-
	<u>140,723</u>	<u>258,081</u>	<u>-</u>	<u>-</u>
Cash and bank balances	<u>1,020,429</u>	<u>1,244,057</u>	<u>1,088</u>	<u>519</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 2023	31 December 2022
	\$'000	\$'000
Cash and bank balances (as above)	1,020,429	1,244,057
Less: Bank overdrafts (Note 14)	(27,906)	(10,855)
Cash and cash equivalents per consolidated statement of cash flows	<u>992,523</u>	<u>1,233,202</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

8. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Trade receivables from third parties:	1,343,200	1,228,656	-	-
Other loan receivables:				
At amortised cost	504,872	537,103	-	-
Designated as at fair value through profit or loss	213,999	217,307	-	-
Less: Allowance for impairment of trade receivables individually assessed	(50,721)	(32,596)	-	-
	2,011,350	1,950,470	-	-
Other receivables from subsidiary:				
At amortised cost	-	-	204	201
	2,011,350	1,950,470	204	201
Current trade and other receivables (recoverable within 12 months)	1,922,667	1,739,528	-	-
Non-current trade and other receivables (recoverable after 12 months)	88,683	210,942	204	201
	2,011,350	1,950,470	204	201

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

	The Group	
	30 June 2023	31 December 2022
	\$'000	\$'000
Trading securities		
Quoted securities:		
- Debt securities	20,086	25,843
- Equity securities	101,404	131,519
Unquoted securities:		
- Debt securities	23,134	13,022
- Equity securities	180	183
Investment in private fund	5,016	4,740
Unit Trusts	24,587	15,280
Government debt securities	87,767	91,505
	262,174	282,092
Current financial assets, at fair value through profit or loss	260,979	280,959
Non-current financial assets, at fair value through profit or loss	1,195	1,133
	262,174	282,092

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

10. OTHER CURRENT ASSETS

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Amounts due from				
Subsidiaries	-	-	372,060	378,795
Deposits	36,766	32,025	-	-
Prepayments	5,531	3,227	5	5
Amounts deposited with				
lenders of securities	3,172	3,172	-	-
Other receivables	13,089	14,901	59	182
	<u>58,558</u>	<u>53,325</u>	<u>372,124</u>	<u>378,982</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 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
	\$'000	\$'000	\$'000	\$'000
Forward foreign exchange contracts	90	25	7	10
Equity derivatives	52,960	52,960	30,422	30,422
	<u>53,050</u>	<u>52,985</u>	<u>30,429</u>	<u>30,432</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 2023

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment of \$ 2,154,774 (31 December 2022: \$ 2,659,780).

13. TRADE AND OTHER PAYABLES

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
Trade payables to third parties:				
At amortised cost	309,094	254,287	-	-
Participation trade payables:				
At amortised cost	20,002	20,003	-	-
Designated as at fair value through profit or loss	36,358	23,512	-	-
Accrued operating expenses	58,403	81,184	582	7,060
Amount due to subsidiaries	-	-	47,908	49,280
Other payables	16,333	21,365	-	-
	<u>440,190</u>	<u>400,351</u>	<u>48,490</u>	<u>56,340</u>
Analysed as:				
Current	426,252	378,733	48,490	56,340
Non-current	13,938	21,618	-	-
	<u>440,190</u>	<u>400,351</u>	<u>48,490</u>	<u>56,340</u>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

14. BORROWINGS

	The Group		The Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000	\$'000
<i>Current</i>				
Bank overdrafts:				
- with related parties	14,639	9,668	-	-
- with non-related banks	13,267	1,187	-	-
	27,906	10,855	-	-
Short-term bank loans:				
- with related parties	379,727	350,976	33,500	3,600
- with non-related banks	453,122	781,348	134,358	132,893
	832,849	1,132,324	167,858	136,493
Total borrowings	860,755	1,143,179	167,858	136,493

Bank borrowings of the Group amounting to \$698,596,604 (31 December 2022: \$1,002,987,109) are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

Bank borrowings of the Company amounting to \$167,857,850 (31 December 2022: \$136,492,650) 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 2023	31 December 2022
	\$'000	\$'000
Notes issued:		
At amortised cost	44,264	43,049
Designated as at fair value through profit or loss	194,505	195,907
	238,769	238,956

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
 30 JUNE 2023

16. SHARE CAPITAL

	<u>The Group and The Company</u>			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	
Issued and paid up:				
At beginning of the period	888,015,427	863,406,225	292,065	257,415
Issue of shares pursuant to Scrip Dividend Scheme	22,023,304	24,609,202	27,243	34,650
At end of the period	910,038,731	888,015,427	319,308	292,065
	<u>The Group and The Company</u>			
	2023	2022	2023	2022
	Number of ordinary shares		\$'000	
Treasury shares				
At beginning of the year	(2,491,000)	-	(3,446)	-
Share buyback	(4,884,000)	(2,491,000)	(6,789)	(3,446)
At end of the period	(7,375,000)	(2,491,000)	(10,235)	(3,446)
Total share capital	902,663,731	885,524,427	309,073	288,619

17. REVENUE

	<u>The Group</u>	
	6 months ended 30 June 2023 \$'000	6 months ended 30 June 2022 \$'000
Commission income	138,102	161,080
Trading income	1,680	3,011
Interest income:		
- fixed deposits with related parties	18,034	2,212
- fixed deposits with non-related banks	52,185	4,716
- clients	52,181	40,048
- others	3,295	1,909
	125,695	48,885
Interest income from financial instruments		
designated as at fair value through profit or loss	6,339	6,789
Dividend income from quoted/unquoted securities	707	453
Facility, shares withdrawal and arrangement fees	4,305	5,925
Advisory fees	2,545	3,480
Other operating revenue	8,454	5,574
	287,827	235,197

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

18. STAFF COSTS

	<u>The Group</u>	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Wages, salaries and other staff costs	75,020	70,610
Employers' contribution to employee benefit plans including Central Provident Fund	3,585	3,625
	<u>78,605</u>	<u>74,235</u>

19. FINANCE EXPENSE

	<u>The Group</u>	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Interest expense:		
- borrowings from related parties	8,746	2,342
- borrowings from non-related banks	10,570	3,144
- debts issued	6,641	6,441
- lease liabilities	386	446
- others	5,620	1,866
	<u>31,963</u>	<u>14,239</u>

20. OTHER OPERATING EXPENSES

	<u>The Group</u>	
	6 months ended 30 June 2023	6 months ended 30 June 2022
	\$'000	\$'000
Net fair value loss on other financial assets, at fair value through profit or loss	6,327	18,555
Expense relating to short-term leases and low value assets	680	124
Marketing and business promotions	3,044	3,408
Communication expenses	10,797	11,516
Contract processing charges	351	419
Information services	4,805	4,792
Depreciation expenses:		
- property, plant and equipment	4,890	5,727
- right-of-use asset	3,104	3,198
Net gain on disposal of property, plant and equipment	(48)	(18)
Impairment of goodwill	315	105
Maintenance and rental of office equipment	806	859
Allowance for (write back of) trade receivables	17,846	(3,849)
Other staff cost	2,433	2,773
General administrative expenses	11,046	7,996
	<u>66,396</u>	<u>55,605</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 2023 \$'000	6 months ended 30 June 2022 \$'000
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	69,322	51,762
Weighted average number of ordinary shares for the purpose of basic earnings per share	884,804,178	864,765,849
Basic earnings per share	7.83 cents	5.99 cents

Diluted earnings per share is equal to basic earnings per share as there are no potential ordinary shares outstanding as at 30 June 2023 and 31 December 2022.

23. DIVIDENDS

No dividend has been recommended for the half year ended 30 June 2023 (30 June 2022: NIL).

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023**
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>1 January 2023 to 30 June 2023</u>							
<u>Revenue</u>							
- External sales	81,929	33,638	17,893	17,914	4,419	-	155,793
- Interest income	74,311	48,383	3,454	4,441	1,445	-	132,034
- Inter-segment sales	7,967	485	319	1,380	617	(10,768)	-
	<u>164,207</u>	<u>82,506</u>	<u>21,666</u>	<u>23,735</u>	<u>6,481</u>	<u>(10,768)</u>	<u>287,827</u>
Segment results	46,650	29,069	2,420	7,380	84	(5,278)	<u>80,325</u>
Profit before tax							80,325
Income tax expense							(10,764)
Profit after tax							<u>69,561</u>
Segment assets	3,354,210	1,136,475	238,222	214,591	90,485	(737,477)	4,296,506
Deferred tax assets							<u>1,710</u>
Consolidated total assets							<u>4,298,216</u>
Segment liabilities	1,882,331	518,074	79,176	59,383	51,706	(143,315)	2,447,355
Income tax payable							15,613
Deferred tax liabilities							<u>1,909</u>
Consolidated total liabilities							<u>2,464,877</u>
<u>Other segment items</u>							
Capital expenditure	1	181	853	625	495	-	2,155
Impairment of goodwill	-	-	315	-	-	-	315
Depreciation and amortisation expense	2,954	2,254	1,750	801	235	-	7,994
Finance expense	19,420	11,921	385	239	244	(246)	31,963

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2023

	Singapore \$'000	Hong Kong \$'000	Thailand \$'000	Malaysia \$'000	Others \$'000	Elimination \$'000	Total \$'000
<u>The Group</u>							
<u>1 January 2022 to 30 June 2022</u>							
<u>Revenue</u>							
- External sales	89,140	38,099	26,126	21,110	5,048	-	179,523
- Interest income	31,527	18,076	2,134	2,753	1,184	-	55,674
- Inter-segment sales	5,486	447	569	1,278	1,220	(9,000)	-
	126,153	56,622	28,829	25,141	7,452	(9,000)	235,197
Segment results	33,172	15,406	6,895	7,187	660	(4,931)	58,389
Profit before tax							58,389
Income tax expense							(5,967)
Profit after tax							52,422
Segment assets	3,299,068	1,347,565	252,215	264,662	98,639	(757,185)	4,504,964
Deferred tax assets							1,487
Consolidated total assets							4,506,451
Segment liabilities	1,958,682	766,941	90,293	111,222	54,820	(269,578)	2,712,380
Income tax payable							13,896
Deferred tax liabilities							1,910
Consolidated total liabilities							2,728,186
<u>Other segment items</u>							
Capital expenditure	145	117	391	716	101	-	1,470
Impairment of goodwill	-	-	105	-	-	-	105
Depreciation and amortisation expense	3,523	2,611	1,768	740	283	-	8,925
Finance expense	11,279	2,576	189	310	289	(404)	14,239

OTHER INFORMATION
30 June 2023**1. Review**

The consolidated statement of financial position of UOB-KAY HIAN HOLDINGS LIMITED and its subsidiaries as at 30 June 2023 and the related consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement 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 GroupOperating Profit and Expenses**1H23 vs 1H22**

The Group recorded pre-tax profit of S\$80.3 million and after tax profit of S\$69.5 million, an increase of 37.6% and 32.7% respectively.

Commission and trading income decreased from S\$164.1 million to S\$139.8 million, down by 14.8% mainly due to lower market volume across regional and US markets. Interest income increased by 137.2% from S\$55.7 million to S\$ 132.0 million as a result of the current high interest rate environment. Other operating income increased slightly from S\$15.4 million to S\$16.0 million. Total income increased 22.4% from S\$235.2 million to S\$287.8 million.

Commission expense decreased 11.8% from S\$42.3 million to S\$37.3 million. Personnel expenses increased slightly from S\$74.2 million to S\$78.6 million. Other operating expenses included an additional allowance for impairment of trade receivables of S\$18.3 million.

Balance Sheet

The Group's net asset value position remained healthy at S\$1.83 billion as at 30 June 2023. 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 2023

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

In the first half of 2023, the Group's commission and trading income has declined, reflecting the key exchanges we were trading in, as market volumes were down by 16% - 27%.

While inflation growth looks to have peaked, current interest rates are expected to remain elevated moving ahead. With political tensions between China and the US continuing and global growth weak, the Group expects overall trading volumes to remain muted.

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.

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 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wee Ee-chao
Managing Director

Tang Wee Loke
Director

BY ORDER OF THE BOARD

Wee Ee-chao
Managing Director
8 August 2023