



UOB-KAY HIAN HOLDINGS LIMITED

Condensed Interim Financial Statements

For The Six Months Ended 30 June 2022

Table of contents

| | <u>PAGE</u> |
|---|-------------|
| Condensed interim consolidated statement of profit or loss and other comprehensive income | 1 |
| Condensed interim statements of financial position | 2 - 3 |
| Condensed interim statements of changes in equity | 4 - 6 |
| Condensed interim consolidated statement of cash flows | 7 - 8 |
| Notes to the condensed interim consolidated financial statements | 9 - 25 |
| Other information required by Listing rule Appendix 7.2 | 26 - 28 |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

| | <u>Note</u> | <u>The Group</u> | |
|--|-------------|---|---|
| | | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Revenue | 17 | 235,197 | 339,695 |
| Net foreign exchange gain | | 9,579 | 7,179 |
| Commission expense | | (42,308) | (70,847) |
| Staff costs | 18 | (74,235) | (92,123) |
| Finance expense | 19 | (14,239) | (26,826) |
| Other operating expenses | 20 | (55,605) | (51,224) |
| Profit before income tax | | 58,389 | 105,854 |
| Income tax expense | 21 | (5,967) | (11,797) |
| Profit for the period | | 52,422 | 94,057 |
| Other comprehensive income: | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | 5,048 | (2,525) |
| Other comprehensive income for the period, net of tax | | 5,048 | (2,525) |
| Total comprehensive income for the period | | 57,470 | 91,532 |
| Profit attributable to: | | | |
| Owners of the Company | | 51,762 | 93,011 |
| Non-controlling interests | | 660 | 1,046 |
| | | 52,422 | 94,057 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | 57,368 | 91,548 |
| Non-controlling interests | | 102 | (16) |
| | | 57,470 | 91,532 |
| Earnings per share: | | | |
| Basic and diluted | 22 | 5.99 cents | 11.09 cents |

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
30 JUNE 2022**


| | Note | The Group | | The Company | |
|--|------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2022 \$'000 | 31 December 2021 \$'000 | 30 June 2022 \$'000 | 31 December 2021 \$'000 |
| <u>ASSETS</u> | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 1,092,077 | 547,594 | 957 | 768 |
| Outstanding contracts receivable | | 757,990 | 568,139 | - | - |
| Trade and other receivables | 8 | 1,994,452 | 2,499,187 | - | - |
| Other financial assets, at fair value through profit or loss | 9 | 272,856 | 439,106 | - | - |
| Other current assets | 10 | 54,807 | 67,262 | 336,892 | 234,798 |
| Derivative financial instruments | 11 | 24,563 | 48,441 | - | - |
| Total current assets | | 4,196,745 | 4,169,729 | 337,849 | 235,566 |
| Non-current assets | | | | | |
| Trade and other receivables | 8 | 255,167 | 299,319 | 209 | 203 |
| Goodwill | | 12,860 | 13,339 | - | - |
| Subsidiaries | | - | - | 363,860 | 363,860 |
| Right-of-use assets | | 18,534 | 10,970 | - | - |
| Other financial assets, at fair value through profit or loss | 9 | 1,308 | 1,513 | - | - |
| Trading rights in Exchanges | | 94 | 95 | - | - |
| Memberships in Exchanges | | 212 | 217 | - | - |
| Property, plant and equipment | 12 | 20,044 | 24,472 | - | - |
| Deferred tax assets | | 1,487 | 1,512 | - | - |
| Total non-current assets | | 309,706 | 351,437 | 364,069 | 364,063 |
| Total assets | | 4,506,451 | 4,521,166 | 701,918 | 599,629 |
| <u>LIABILITIES</u> | | | | | |
| Current liabilities | | | | | |
| Outstanding contracts payable | | 742,452 | 553,407 | - | - |
| Trade and other payables | 13 | 700,752 | 652,661 | 46,988 | 53,470 |
| Borrowings | 14 | 965,741 | 1,191,034 | 151,597 | 4,455 |
| Lease liabilities | | 3,994 | 5,433 | - | - |
| Debts issued | 15 | 245,835 | 260,579 | - | - |
| Income tax payable | | 13,896 | 17,155 | 82 | 115 |
| Derivative financial instruments | 11 | 24,565 | 48,460 | - | - |
| Total current liabilities | | 2,697,235 | 2,728,729 | 198,667 | 58,040 |
| Non-current liabilities | | | | | |
| Trade and other payables | 13 | 13,878 | 21,857 | - | - |
| Lease liabilities | | 15,163 | 5,844 | - | - |
| Deferred tax liabilities | | 1,910 | 2,201 | - | - |
| Total non-current liabilities | | 30,951 | 29,902 | - | - |
| Total liabilities | | 2,728,186 | 2,758,631 | 198,667 | 58,040 |

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (cont'd)
30 JUNE 2022**


| | Note | The Group | | The Company | |
|--|------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2022 \$'000 | 31 December 2021 \$'000 | 30 June 2022 \$'000 | 31 December 2021 \$'000 |
| EQUITY | | | | | |
| Capital, reserves and non-controlling interests | | | | | |
| Share capital | 16 | 292,065 | 257,415 | 292,065 | 257,415 |
| Reserves | | (25,239) | (30,858) | - | - |
| Retained earnings | | 1,491,749 | 1,515,983 | 211,186 | 284,174 |
| Equity attributable to owners of the Company | | 1,758,575 | 1,742,540 | 503,251 | 541,589 |
| Non-controlling interests | | 19,690 | 19,995 | - | - |
| Total equity | | 1,778,265 | 1,762,535 | 503,251 | 541,589 |
| Total liabilities and equity | | 4,506,451 | 4,521,166 | 701,918 | 599,629 |
| Net asset value per share (cents) | | 198.03 | 201.82 | 56.67 | 62.73 |
| Clients' trust/segregated accounts | | | | | |
| Bank balances: | | | | | |
| - with related parties | | 1,959,634 | 2,306,631 | - | - |
| - with non-related banks | | 3,213,661 | 2,460,260 | - | - |
| Margin with clearing house | | 176,973 | 84,144 | - | - |
| Investment in government debt securities | | 4,954 | 64,871 | - | - |
| Less: Amounts held in trust | | (5,355,222) | (4,915,906) | - | - |
| | | - | - | - | - |

UOB-KAY HIAN HOLDINGS LIMITED AND ITS SUBSIDIARIES



**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

| <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 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 2022**

| <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 |
|---|-----------------------------|------------------------------|---|---------------------------------|---------------------------------|---|---|------------------|
| <u>The Group</u> | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 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 2022**

| <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> |

| <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> |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

| | <u>Note</u> | The Group | |
|---|-------------|---|---|
| | | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Operating activities | | | |
| Profit before income tax | | 58,389 | 105,854 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 5,727 | 6,080 |
| Depreciation of right-of-use assets | | 3,198 | 3,061 |
| Amortisation of other intangible assets | | - | 597 |
| Net gain on disposal of property, plant and equipment | | (18) | (21) |
| Impairment of goodwill | | 105 | 31 |
| Dividend income | | (453) | (1,310) |
| Allowance for trade receivables | | (3,849) | 811 |
| Interest expense | 19 | 14,239 | 26,826 |
| Exchange differences | | (21,039) | (24,651) |
| Operating cash flows before movements in working capital | | 56,299 | 117,278 |
| Changes in operating assets and liabilities: | | | |
| Other financial assets, at fair value through profit or loss | | 167,629 | (278,902) |
| Trade, outstanding contracts and other receivables | | 391,202 | (957,482) |
| Trade, outstanding contracts and other payables | | 218,397 | 417,697 |
| Debts issued | | (14,641) | (40,526) |
| Cash from/(used) in operations | | 818,886 | (741,935) |
| Interest paid | | (14,239) | (26,826) |
| Income tax paid | | (9,455) | (11,753) |
| Net cash from/(used) in operating activities | | 795,192 | (780,514) |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

| | <u>Note</u> | <u>The Group</u> | |
|---|-------------|---|---|
| | | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| | | | |
| Investing activities | | | |
| Payments for property, plant and equipment | 12 | (1,470) | (2,261) |
| Proceeds from disposal of property, plant and equipment | | 27 | 35 |
| Dividends received from quoted/unquoted securities | | 453 | 1,310 |
| Net cash used in investing activities | | <u>(990)</u> | <u>(916)</u> |
| Financing activities | | | |
| Payment to non-controlling interests for additional interest in a subsidiary | | - | (125) |
| Payment to non-controlling interests for dividend | | (407) | (255) |
| Repayment of lease liabilities | | (3,725) | (2,542) |
| Net (repayment) drawdown of short-term bank loans | | (255,827) | 763,935 |
| Dividends paid | | (41,333) | (39,987) |
| Net cash (used)/from financing activities | | <u>(301,292)</u> | <u>721,026</u> |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | | 21,039 | 24,651 |
| Net increase (decrease) in cash and cash equivalents | | 513,949 | (35,753) |
| Cash and cash equivalents at beginning of the period | | 538,425 | 503,107 |
| Cash and cash equivalents at end of the period | 7 | <u>1,052,374</u> | <u>467,354</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 2022 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 2022 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 2021.

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 2022.

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 2022

5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table sets out the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

| | Note | The Group \$'000 | The Company \$'000 |
|---|-------|---------------------|-----------------------|
| At 30 June 2022 | | | |
| Financial assets | | | |
| At fair value through profit or loss (FVTPL): | | | |
| Mandatorily measured at FVTPL | 9 | 274,164 | - |
| Designated as at FVTPL | 8 | 267,945 | - |
| At amortised cost (including cash and cash equivalents) | | | |
| Derivative financial instruments | 11 | 3,882,339 | 338,053 |
| | | 24,563 | - |
| Financial liabilities | | | |
| At FVTPL: | | | |
| Designated as at FVTPL | 13,15 | 251,085 | - |
| At amortised cost | | | |
| Lease liabilities | | 2,417,573 | 198,585 |
| Derivative financial instruments | 11 | 19,157 | - |
| | | 24,565 | - |
| At 31 December 2021 | | | |
| Financial assets | | | |
| At fair value through profit or loss (FVTPL): | | | |
| Mandatorily measured at FVTPL | 9 | 440,619 | - |
| Designated as at FVTPL | 8 | 267,954 | - |
| At amortised cost (including cash and cash equivalents) | | | |
| Derivative financial instruments | 11 | 3,709,937 | 235,764 |
| | | 48,441 | - |
| Financial liabilities | | | |
| At FVTPL: | | | |
| Designated as at FVTPL | 13,15 | 270,379 | - |
| At amortised cost | | | |
| Lease liabilities | | 2,409,159 | 57,925 |
| Derivative financial instruments | 11 | 11,277 | - |
| | | 48,460 | - |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

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-22 | | 31-Dec-21 | | |
| | Assets | Liabilities | Assets | Liabilities | |
| Other financial assets, at fair value through profit or loss (see Note 9) | | | | | |
| Quoted equity securities | 107,647 | - | 132,291 | - | Level 1 |
| Quoted debt securities | 9,058 | - | 23,954 | - | Level 1 |
| Unquoted equity securities | 185 | - | 191 | - | Level 2 |
| Unquoted debt securities | 15,667 | - | 28,866 | - | Level 2 |
| Unquoted investment in private fund | 13,655 | - | 18,243 | - | Level 3 |
| Unit Trusts | 12,343 | - | 237,074 | - | Level 1 |
| Government debt securities | 115,609 | - | - | - | Level 3 |
| Derivative financial instruments (see Note 11) | | | | | |
| Foreign currency forward contracts | 26 | 28 | 10 | 29 | Level 2 |
| Equity derivatives | 24,537 | 24,537 | 48,431 | 48,431 | Level 2 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

| Financial assets/liabilities | Fair value as at (\$'000) | | | | Fair value hierarchy |
|---|---------------------------|-------------|-----------|-------------|----------------------|
| | 30-June-22 | | 31-Dec-21 | | |
| | Assets | Liabilities | Assets | Liabilities | |
| Trade and other receivables (see Note 8) | | | | | |
| Loan receivables designated as at fair value through profit or loss | 267,945 | - | 267,954 | - | Level 3 |
| Debts issued (see Note 15) | | | | | |
| Notes issued, designated as at fair value through profit or loss | - | 218,306 | - | 232,197 | Level 3 |
| Trade and other payables (see Note 13) | | | | | |
| Trade payables, designated as at fair value through profit or loss | - | 32,779 | - | 38,182 | 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 2022 and 2021.

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 2022

7. CASH AND CASH EQUIVALENTS

| | The Group | | The Company | |
|------------------------|------------------|---------------------|-----------------|---------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Bank balances with: | | | | |
| - Related parties | 246,337 | 132,283 | 957 | 768 |
| - Non-related banks | 564,122 | 412,283 | - | - |
| Cash on hand | 24 | 25 | - | - |
| | <u>810,483</u> | <u>544,591</u> | <u>957</u> | <u>768</u> |
| Fixed deposits with: | | | | |
| - Related parties | 139,472 | - | - | - |
| - Non-related banks | 142,122 | 3,003 | - | - |
| | <u>281,594</u> | <u>3,003</u> | <u>-</u> | <u>-</u> |
| Cash and bank balances | <u>1,092,077</u> | <u>547,594</u> | <u>957</u> | <u>768</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 2022 | 31 December 2021 |
| | \$'000 | \$'000 |
| Cash and bank balances (as above) | 1,092,077 | 547,594 |
| Less: Bank overdrafts (Note 14) | (39,703) | (9,169) |
| Cash and cash equivalents per consolidated statement of cash flows | <u>1,052,374</u> | <u>538,425</u> |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

8. TRADE AND OTHER RECEIVABLES

| | The Group | | The Company | |
|--|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade receivables from third parties: | 1,466,972 | 1,916,425 | - | - |
| Other loan receivables: | | | | |
| At amortised cost | 531,657 | 634,431 | - | - |
| Designated as at fair value through profit or loss | 267,945 | 267,954 | - | - |
| Less: Allowance for impairment of trade receivables individually assessed | (16,955) | (20,304) | - | - |
| | 2,249,619 | 2,798,506 | - | - |
| Other receivables from subsidiary: | | | | |
| At amortised cost | - | - | 209 | 203 |
| | 2,249,619 | 2,798,506 | 209 | 203 |
| Current trade and other receivables (recoverable within 12 months) | 1,994,452 | 2,499,187 | - | - |
| Non-current trade and other receivables (recoverable after 12 months) | 255,167 | 299,319 | 209 | 203 |
| | 2,249,619 | 2,798,506 | 209 | 203 |

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

| | The Group | |
|--|-----------------|---------------------|
| | 30 June 2022 | 31 December 2021 |
| | \$'000 | \$'000 |
| Trading securities | | |
| Quoted securities: | | |
| - Debt securities | 9,058 | 23,954 |
| - Equity securities | 107,647 | 132,291 |
| Unquoted securities: | | |
| - Debt securities | 15,667 | 28,866 |
| - Equity securities | 185 | 191 |
| Investment in private fund | 13,655 | 18,243 |
| Unit Trusts | 12,343 | 237,074 |
| Government debt securities | 115,609 | - |
| | 274,164 | 440,619 |
| Current financial assets, at fair value through profit or loss | 272,856 | 439,106 |
| Non-current financial assets, at fair value through profit or loss | 1,308 | 1,513 |
| | 274,164 | 440,619 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

10. OTHER CURRENT ASSETS

| | The Group | | The Company | |
|------------------------|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Amounts due from | | | | |
| Subsidiaries | - | - | 336,832 | 234,733 |
| Deposits | 37,103 | 46,328 | - | - |
| Prepayments | 4,209 | 3,610 | 5 | 5 |
| Amounts deposited with | | | | |
| lenders of securities | 2,716 | 4,274 | - | - |
| Other receivables | 10,779 | 13,050 | 55 | 60 |
| | <u>54,807</u> | <u>67,262</u> | <u>336,892</u> | <u>234,798</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 2022 | | 31 December 2021 | |
| | Assets | Liabilities | Assets | Liabilities |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Forward foreign exchange contracts | 26 | 28 | 10 | 29 |
| Equity derivatives | 24,537 | 24,537 | 48,431 | 48,431 |
| | <u>24,563</u> | <u>24,565</u> | <u>48,441</u> | <u>48,460</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 2022

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired property, plant and equipment of \$ 1,469,910 (31 December 2021: \$ 5,103,586).

13. TRADE AND OTHER PAYABLES

| | The Group | | The Company | |
|---|-----------------|---------------------|-----------------|---------------------|
| | 30 June 2022 | 31 December 2021 | 30 June 2022 | 31 December 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Trade payables to third parties: | | | | |
| At amortised cost | 578,445 | 507,645 | - | - |
| Participation trade payables: | | | | |
| At amortised cost | 20,051 | 20,003 | - | - |
| Designated as at fair value through profit or loss | 32,779 | 38,182 | - | - |
| Accrued operating expenses | 69,103 | 86,557 | 351 | 6,389 |
| Amount due to subsidiaries | - | - | 46,207 | 47,081 |
| Other payables | 14,252 | 22,131 | 430 | - |
| | <u>714,630</u> | <u>674,518</u> | <u>46,988</u> | <u>53,470</u> |
| Analysed as: | | | | |
| Current | 700,752 | 652,661 | 46,988 | 53,470 |
| Non-current | 13,878 | 21,857 | - | - |
| | <u>714,630</u> | <u>674,518</u> | <u>46,988</u> | <u>53,470</u> |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

14. BORROWINGS

| | The Group | | The Company | |
|--------------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 \$'000 | 31 December 2021 \$'000 | 30 June 2022 \$'000 | 31 December 2021 \$'000 |
| <i>Current</i> | | | | |
| Bank overdrafts: | | | | |
| - with related parties | 14,565 | 4,798 | - | - |
| - with non-related banks | 25,138 | 4,371 | - | - |
| | 39,703 | 9,169 | - | - |
| Short-term bank loans: | | | | |
| - with related parties | 374,272 | 541,364 | 151,597 | 4,455 |
| - with non-related banks | 551,766 | 640,501 | - | - |
| | 926,038 | 1,181,865 | 151,597 | 4,455 |
| Total borrowings | 965,741 | 1,191,034 | 151,597 | 4,455 |

Bank borrowings of the Group amounting to \$918,510,712 (31 December 2021: \$1,180,190,206) are secured by a fixed charge over immovable fixed assets and a floating charge over all assets.

Bank borrowings of the Company amounting to \$151,597,200 (31 December 2021: \$4,454,650) 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 2022 \$'000 | 31 December 2021 \$'000 |
| Notes issued: | | |
| At amortised cost | 27,529 | 28,382 |
| Designated as at fair value through profit or loss | 218,306 | 232,197 |
| | 245,835 | 260,579 |

16. SHARE CAPITAL

| | The Group and The Company | | | |
|---|---------------------------|-------------|---------|---------|
| | 2022 | 2021 | 2022 | 2021 |
| | | | \$'000 | \$'000 |
| Number of ordinary shares | | | | |
| Issued and paid up: | | | | |
| At beginning of the period | 863,406,225 | 836,966,171 | 257,415 | 217,887 |
| Issue of shares pursuant to Scrip Dividend Scheme | 24,609,202 | 26,440,054 | 34,650 | 39,528 |
| At end of the period | 888,015,427 | 863,406,225 | 292,065 | 257,415 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

17. REVENUE

| | <u>The Group</u> | |
|--|---|---|
| | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Commission income | 161,080 | 248,570 |
| Trading income | 3,011 | 6,127 |
| Interest income: | | |
| - fixed deposits with related parties | 2,212 | 1,017 |
| - fixed deposits with non-related banks | 3,441 | 1,702 |
| - clients | 40,048 | 45,289 |
| - others | 3,184 | 2,544 |
| | 48,885 | 50,552 |
| Interest income from financial instruments designated as at fair value through profit or loss | 6,789 | 13,196 |
| Dividend income from quoted/unquoted securities | 453 | 1,310 |
| Facility, shares withdrawal and arrangement fees | 5,925 | 6,620 |
| Advisory fees | 3,480 | 3,820 |
| Other operating revenue | 5,574 | 9,500 |
| | 235,197 | 339,695 |

18. STAFF COSTS

| | <u>The Group</u> | |
|---|---|---|
| | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Wages, salaries and other staff costs | 70,610 | 88,760 |
| Less: Wage support from Government grant | - | (170) |
| Employers' contribution to employee benefit plans including Central Provident Fund | 3,625 | 3,533 |
| | 74,235 | 92,123 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

19. FINANCE EXPENSE

| | <u>The Group</u> | |
|-------------------------------------|---|---|
| | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Interest expense: | | |
| - borrowings from related parties | 2,342 | 3,789 |
| - borrowings from non-related banks | 3,144 | 4,389 |
| - debts issued | 6,441 | 16,850 |
| - lease liabilities | 446 | 284 |
| - others | 1,866 | 1,514 |
| | <u>14,239</u> | <u>26,826</u> |

20. OTHER OPERATING EXPENSES

| | <u>The Group</u> | |
|--|---|---|
| | 6 months ended 30 June 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
| Net fair value loss on other financial assets, at fair value through profit or loss | 18,555 | 3,446 |
| Expense relating to short-term leases and low value assets | 124 | 1,246 |
| Marketing and business promotions | 3,408 | 3,354 |
| Communication expenses | 11,516 | 13,274 |
| Contract processing charges | 419 | 798 |
| Information services | 4,792 | 4,767 |
| Depreciation expenses: | | |
| - property, plant and equipment | 5,727 | 6,080 |
| - right-of-use asset | 3,198 | 3,061 |
| Net gain on disposal of property, plant and equipment | (18) | (21) |
| Amortisation of other intangible assets | - | 597 |
| Impairment of goodwill | 105 | 31 |
| Maintenance and rental of office equipment | 859 | 1,037 |
| Allowance for trade receivables | (3,849) | 811 |
| Other staff cost | 2,773 | 5,462 |
| General administrative expenses | 7,996 | 7,281 |
| | <u>55,605</u> | <u>51,224</u> |

21. INCOME TAX EXPENSE

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

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 2022 \$'000 | 6 months ended 30 June 2021 \$'000 |
|---|---|---|
| Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company) | 51,762 | 93,011 |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 864,765,849 | 838,426,947 |
| Basic earnings per share | 5.99 cents | 11.09 cents |

Diluted earnings per share is equal to basic earnings per share as there are no potential ordinary shares outstanding as at 30 June 2022 and 31 December 2021.

23. DIVIDENDS

No dividend has been recommended for the half year ended 30 June 2022 (30 June 2021: NIL).

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022**
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 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) | - |
| | <u>126,153</u> | <u>56,622</u> | <u>28,829</u> | <u>25,141</u> | <u>7,452</u> | <u>(9,000)</u> | <u>235,197</u> |
| Segment results | 33,172 | 15,406 | 6,895 | 7,187 | 660 | (4,931) | <u>58,389</u> |
| Profit before tax | | | | | | | <u>58,389</u> |
| Income tax expense | | | | | | | <u>(5,967)</u> |
| Profit after tax | | | | | | | <u>52,422</u> |
| Segment assets | 3,299,068 | 1,347,565 | 252,215 | 264,662 | 98,639 | (757,185) | <u>4,504,964</u> |
| Deferred tax assets | | | | | | | <u>1,487</u> |
| Consolidated total assets | | | | | | | <u>4,506,451</u> |
| Segment liabilities | 1,958,682 | 766,941 | 90,293 | 111,222 | 54,820 | (269,578) | <u>2,712,380</u> |
| Income tax payable | | | | | | | <u>13,896</u> |
| Deferred tax liabilities | | | | | | | <u>1,910</u> |
| Consolidated total liabilities | | | | | | | <u>2,728,186</u> |
| <u>Other segment items</u> | | | | | | | |
| Capital expenditure | 145 | 117 | 391 | 716 | 101 | - | 1,470 |
| Goodwill | - | - | 11,763 | 1,097 | - | - | 12,860 |
| 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 |

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2022

| | Singapore \$'000 | Hong Kong \$'000 | Thailand \$'000 | Malaysia \$'000 | Others \$'000 | Elimination \$'000 | Total \$'000 |
|---------------------------------------|---------------------|---------------------|--------------------|--------------------|------------------|-----------------------|------------------|
| <u>The Group</u> | | | | | | | |
| <u>1 January 2021 to 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 | | | | | | | 105,854 |
| 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 of goodwill | - | - | 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 |

OTHER INFORMATION
30 June 2022**1. Review**

The consolidated statement of financial position of UOB-KAY HIAN HOLDINGS LIMITED and its subsidiaries as at 30 June 2022 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**1H22 vs 1H21**

The Group recorded pre-tax profit of S\$58.4 million and after tax profit of S\$52.4 million, a decrease of 44.8% and 44.3% respectively.

Commission and trading income decreased from S\$254.7 million to S\$164.1 million, down by 35.6% mainly due to lower market volume across regional and US markets. Other operating income decreased 27.4% from S\$21.3 million to S\$15.4 million with lower fees from structured lending and corporate finance activities. Total income decreased 30.8% from S\$339.7 million to S\$235.2 million.

Overall commission and personnel expenses decreased due to lower business volume. Commission decreased 40.3% from S\$70.8 million to S\$42.3 million and personnel expenses decreased 19.4% from S\$92.1 million to S\$74.2 million. Net fair value loss on other financial assets increased 438.5% from S\$3.4 million to S\$18.6 million.

Balance Sheet

The Group's net asset value position remained healthy at S\$1.78 billion as at 30 June 2022. 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 2022**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 significant drop in group revenue in first half 2022 reflected the contraction of trading volumes in the major markets the group operates in. All the market indices recorded adverse performance, led by Hong Kong (Hang Seng Index -24% from peak) and the US (S&P 500 Index -22% from peak) as record inflation exacerbated by Ukraine war elicited flurry of interest rates increases by central banks, triggering concerns of economic slowdown.

Beyond the typical economic cycle that will need to run its course, global capital markets will also have to contend with lingering geo-political tensions that could mean extended disruption to global supply chain, continued volatility in energy and commodity prices, much more insular and protective economic policies and outcomes. As a result, we expect current market volumes to persist.

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 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wee Ee-chao
Managing Director

Edmund Leong
Director

BY ORDER OF THE BOARD

Wee Ee-chao
Managing Director
11 August 2022