Investing
for Growth

ANNUAL REPORT 2022

UOBKayHian
Your trusted financial partner

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CORPORATE INFORMATION

Board of Directors

Wee Ee Chao
Chairman and Managing Director

Leong Kok Mun, Edmund
Non-Executive Non-Independent Director

Tang Wee Loke
Independent Director

Kuah Boon Wee
Independent Director

Andrew Suckling
Independent Director

Yeow David
Independent Director

Audit Committee

Kuah Boon Wee
Chairman

Tang Wee Loke

Yeow David

Leong Kok Mun, Edmund

Nominating Committee

Tang Wee Loke
Chairman

Andrew Suckling

Leong Kok Mun, Edmund

Remuneration Committee

Andrew Suckling
Chairman

Tang Wee Loke

Kuah Boon Wee

Company Secretary

Siau Kuei Lian (ACS, ACG)
Shirley Tan Sey Liy (FCS, FCG)

Company Registration No.

200004464C

Registered Office

8 Anthony Road, #01-01
Singapore 229957
Tel : 6535 6868
Fax : 6532 6919

Share Registrar and Share Transfer Office

B.A.C.S. Private Limited
77 Robinson Road #06-03
Robinson 77
Singapore 068896

Auditors

Deloitte & Touche LLP
Public Accountants and Chartered Accountants

6 Shenton Way #33-00
OUE Downtown 2
Singapore 068809

Partner in charge – Ho Kok Yong
Date of appointment – 24 April 2018

Principal Bankers

DBS Bank Ltd

Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

UOB-KAY HIAN HOLDINGS

UOB-Kay Hian is a regional financial services Group headquartered in Singapore. We are a widely-recognised brand in every country in which we have operations, a reputation built on our responsive and discreet service. In Singapore, we are the largest domestic broker based on the number of registered trading representatives employed. In addition to our broking agency services in equities, bonds, CFDs, DLCs, Robo, LFX, structured products, unit trusts and commodities, we provide high value-added services in corporate advisory and fund raising, leveraging our wide network of corporate contacts and deep distribution capabilities to execute IPOs, secondary placements and other corporate finance and investment banking activities.

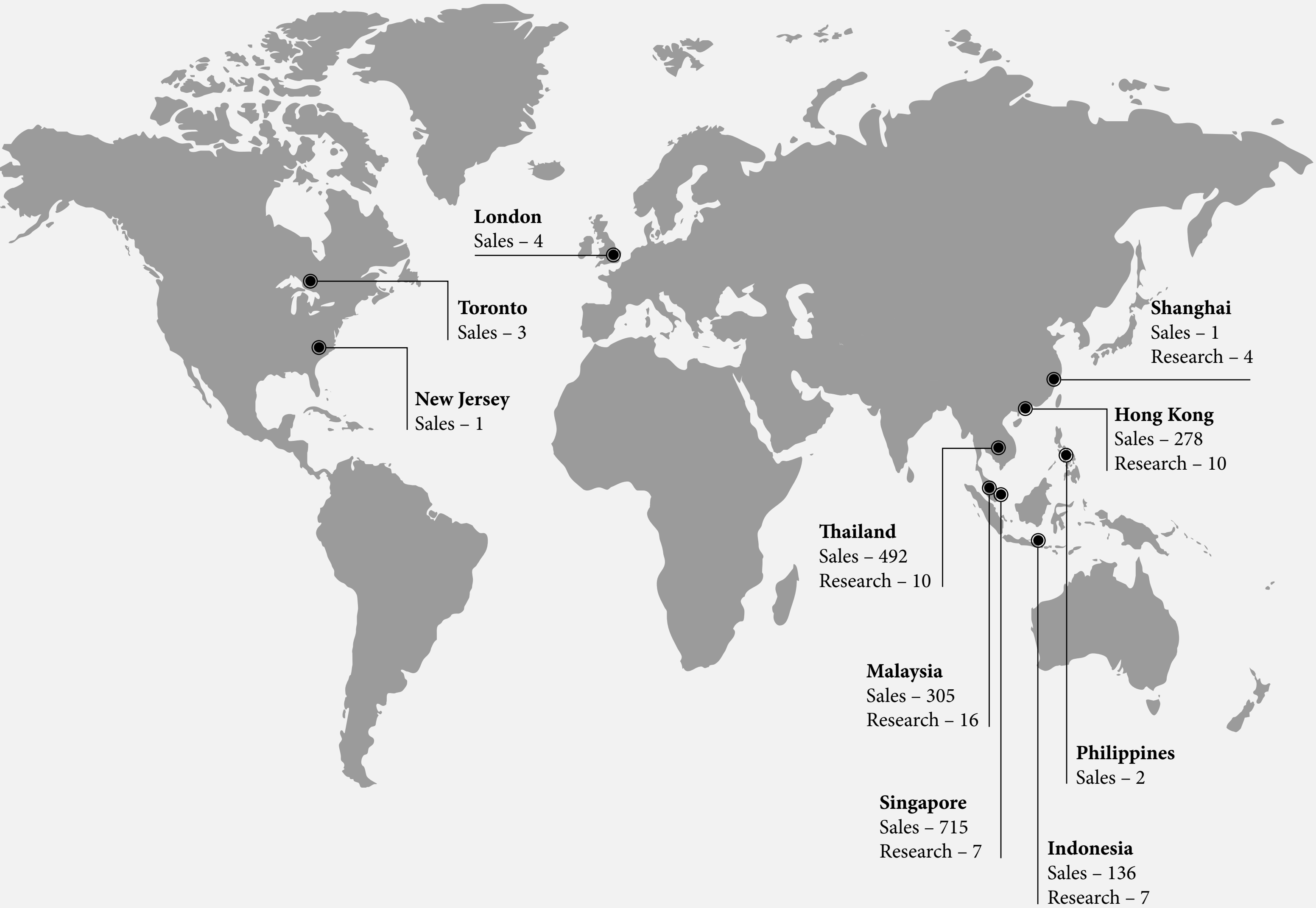
Our regional distribution footprint now spans regional financial centres in Singapore, Hong Kong, Thailand, Malaysia, Indonesia, London, New York and Toronto. In addition, we maintain a research office in Shanghai and an execution presence in the Philippines. We are therefore at the heart of regional economic activities and are well-placed to tap into the deep market knowledge necessary to respond swiftly to our clients.

The Group employs approximately 3,134 professional and support staff globally.

We have gained considerable scale and operational leverage from our synergistic acquisitions. Our defensive business model helps us better weather prevailing volatile trading conditions.

The demand from our institutional and accredited investor clients for incisive and timely equity research and ideas is made more urgent due to rapidly changing global conditions. We therefore continue to invest heavily in our regional institutional sales and research resources, and in expanding our regional network.

OUR GLOBAL PRESENCE



OUR PRODUCTS AND SERVICES

PRODUCTS

Equities

Centred on our sophisticated web and mobile platforms, as well as our full service offline support, our wide range of tools and solutions allow our clients to trade with confidence in multiple products across major markets, including the SGX, Bursa Malaysia, HKEX, HK-Shanghai/Shenzhen Stock Connect, SET, LSE, TSX, TSXV, NASDAQ, NYSE, NYSE ARCA and AMEX. Our award-winning analysts are on hand to impart up-to-date research and insights that can help our clients identify and capitalise on the latest market trends.

Bonds

From emerging markets to developed economies, we support fixed income investors to trade bonds globally on our intuitive platforms. Our dedicated specialists are always available to provide the support and information that clients may need when making key investment decisions or executing orders.

Contracts for Difference (CFDs)

Our clients can utilise our browser-based and mobile platforms to trade CFDs with total peace of mind. Accessing a broad array of counters, clients will be able to tailor trading strategies, monitor and hedge their positions. Using our Direct Market Access model, they also enjoy transparent pricing as every order will participate directly in the underlying exchange without any hidden costs or spreads.

Daily Leverage Certificates (DLCs)

Traded on SGX, DLCs offer investors fixed leverage of 3 to 7 times the daily performance of the underlying securities (market indices or single stocks). Without implied volatility impact, time decay impact or margins, investors have the flexibility to trade in both rising and falling markets.

Exchange Traded Funds (ETFs)

Listed on an exchange, ETFs connect investors to a broad sweep of markets including hard-to-access sectors and asset classes. With the capability to customise watch-lists that can monitor top ETFs, our clients are able to maximise their market exposure with robust instruments that can screen, map and track high-performing funds listed on major global markets.

Futures and Options

Our cutting-edge tools and technology are designed to empower our clients. Providing coverage across asset classes, investors can trade futures across 13 international markets from London to New York while enjoying 24-hour support for quick decision-making in fast-moving markets. Options trading is exclusive to the Hong Kong market and the desktop platform.

Leveraged FX

When it comes to forex trading, the smallest details can make the biggest difference. We offer advanced platforms such as MT4 and Utrade Delta so our investors benefit from sophisticated analytics with no dealing desk intervention. For increased security, client funds are segregated in different accounts. Regular seminars by our in-house experts are also available to our clients.

Structured Products

Our platform has a comprehensive suite of Structured Products for different client needs. From yield enhancement to leveraged payoff, our clients can choose a product that suits their investment objective and risk profile. We adopt an open architecture and have a team of professionals to source products from different manufacturers. We provide timely communications on product ideas and opportunities that emerge from market volatility.

Robo Advisory

A personal digital fund manager, our robo advisor helps our clients realise their financial goals through an intelligent platform and customised portfolio. We draw on the wealth of experience and deep market knowledge of our research analysts and investment professionals to develop the complex algorithms and screen for suitable, low cost ETFs.

Unit Trusts

With unit trusts, investors can lean on the experience of financial experts and diversify across a wide variety of funds. Enjoying low sales commissions with no latent charges, our clients can also keep up with the latest market developments by leveraging the knowledge of our award-winning analysts through in-house commentaries, newsletters, and research articles.

SERVICES

Business Partnerships

We provide various strategic business solutions (e.g. execution, middle and back office) to our B2B partners including robo-advisory, alternative (non-equity) exchanges and IFAs as we create mutually beneficial synergies to serve the ultimate investors.

Corporate Finance / Advisory

We provide a broad and diverse range of corporate finance services, ranging from equity capital markets (i.e. underwriting and placement for both primary and secondary equities), mergers & acquisitions, compliance advisory and financial advisory, spanning the stock exchanges of Singapore, Hong Kong, Malaysia, Thailand and Indonesia.

Investor Education & Corporate Access

Designed to take wealth maximisation to the next level, investors can develop their trading acumen with personal coaching sessions, regular seminars and exclusive curriculum on technical analysis, trading strategies, platforms and markets. Our clients can also attend exclusive in-house networking sessions to connect, exchange ideas and gain insights. We actively organized roadshows and corporate access events to facilitate timely updates and interactions between listed companies and our clients.

Margin Trading

To manage risks and maximise opportunities, our clients can now trade with leverage across our entire portfolio of products and enjoy competitive financing rates for multiple currencies in most major securities markets globally. In addition to transparent pricing, investors appreciate our responsiveness, broad range of qualifying securities and consistent margin policies.

Securities Dealing & Trading

As one of Asia's largest bank-backed brokerage firms, we provide an established and comprehensive platform across all the major securities exchanges in Asia and developed markets to both institutional and retail investors, for a seamless and reliable trading experience. Beyond the traditional stock broking, we offer multiple products and asset classes to meet the needs of the broadest range of investors from the novice to the most sophisticated.

Structured Finance

We offer comprehensive bespoke solutions as lender and arranger to meet the financing needs of promoters, founders and substantial shareholders including acquisition finance, holdco finance, bridge facility, hybrids, illiquids and other structured credits and funding support, in the most timely and discreet manner.

Wealth Management

To protect and grow their portfolios, our clients can rely on our Asia-centric wealth management solutions, which can be tailored for every investment need or objective. Our bespoke services also include asset allocation strategies, discretionary portfolio management, asset manager platforms and external investment products.

GROUP FINANCIAL HIGHLIGHTS

	Group For the Year Ended 31.12.2022 (S$'000)	Group For the Year Ended 31.12.2021 (S$'000)	Group For the Year Ended 31.12.2020 (S$'000)	Group For the Year Ended 31.12.2019 (S$'000)
Revenue & Foreign Exchange Gain	**503,536**	644,165	603,771	380,619
Profit from Operations	**121,380**	173,590	183,931	78,442
Profit Before Tax	**121,380**	173,590	183,931	78,442
Profit After Tax	**102,921**	153,833	160,710	69,282
Profit After Tax and Non-controlling Interests	**101,879**	151,881	159,414	69,186
Shareholders' Equity (excluding non-controlling interests)	**1,780,304**	1,742,540	1,635,834	1,505,332
Earnings Per Share	**11.63 cents**	17.85 cents	19.21 cents	8.49 cents
Gross Dividend Per Share[(Note a)]	**6.0 cents**	8.8 cents	9.50 cents	4.20 cents
Net Assets Per Share[(Note b)]	**201.04 cents**	201.82 cents	195.45 cents	183.20 cents
Percentage Return on Shareholders' Equity				
Profit Before Tax	**6.89%**	10.28%	11.71%	5.31%
Profit After Tax	**5.84%**	9.11%	10.23%	4.69%
Profit After Tax and Non-controlling Interests	**5.78%**	8.99%	10.15%	4.68%

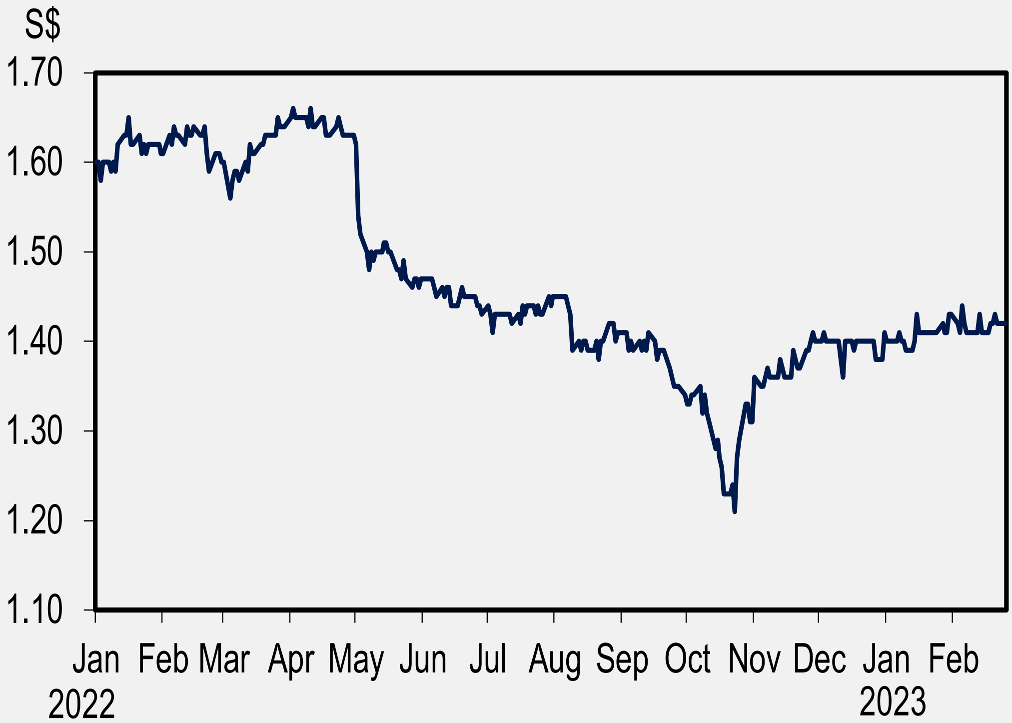
Note

(a) 2022 dividend of 6.0 cents (2021 : dividend of 8.8 cents) is paid/payable on a one-tier tax exempt basis.

(b) Net asset value is derived after deducting 2.2 cents (2021: 2.3 cents) per share attributable to non-controlling interests.

UOB-KAY HIAN HOLDINGS LIMITED SHARE PRICE

From 3 January 2022 to 28 February 2023



LAST CLOSE: S$1.42
HIGH: S$1.67
LOW: S$1.18

2022 OPERATING ENVIRONMENT

2022 was amongst the most challenging years for investors as the US bond and stock markets recorded double-digit losses, ending the decade-long bull run amidst high inflation, interest rate hikes that plummeted asset prices, the continuing struggles of China real estate and the collapse of cryptocurrencies and crypto exchanges. Both the US-China geopolitical tension and Ukraine war look likely to be drawn out, further weighing down sentiments and adding economic pain.

Global equities performed badly across developed and emerging markets in 2022, down 18% (MSCI World Index) and 20% (MSCI Emerging Market Index) respectively. The adverse impact on some investors was likely more damaging as the technology-heavy Nasdaq Composite fell by 33.1% for the year, while S&P 500 index was at one point down 25% from its post-pandemic rally (and ended the year 18% down).

Fixed income markets also suffered, with the investment-grade barometer Bloomberg Global Aggregate Bond Index falling 16% as 10-year US Treasuries posted their worst annual returns in decades. US yield curves were inverted at year end with 10-year US Treasuries at 3.9% versus two-year US Treasuries at over 4.4%, pointing towards the possibility of a recession. Most bond investors in Asia would be negatively impacted as the Chinese real estate dollar bond index ended the year down almost 38% while the Asia ex-Japan dollar bond index fell by 13.4%.

The Singapore market showed resilience as the Straits Times Index was up 4.1% by end 2022, despite S-REITs turning in a total return of -10.7% (including 5% average dividends), on the back of a slight contraction in market turnover (-3.8%). Our other core markets in Asia were mostly down except Indonesia-Hang Seng Index -15.5%, Hang Seng Stock Connect China A 300 Index -21.2%, Malaysia FBMKLCI -3.1%, Thailand SET Index +0.7% and Jakarta Composite Index +3.8%-while market turnover recorded a significant contraction in Hong Kong (-25.4%), Thailand (-18.2%) and Malaysia (-40.8%).

Despite the bearish sentiment of the financial markets, and China still in lockdown for virtually 10 months last year, real economies were surprisingly resilient and job markets rather robust. Malaysia and Indonesia expanded GDP by 8.3% and 5.4% respectively while China (3.0% GDP), Singapore (3.8% GDP) and Thailand (2.6% GDP) still managed modest growth.

2022 OPERATING PERFORMANCE

Commission and non-interest income which represented 72% of total revenue in 2022 contracted by 32.2% yoy as a reflection of the declining market turnover, reduced retail participation and more subdued primary markets activities. In contrast, the higher interest rate environment contributed to a 35.5% increase in interest income, moderating the decline of total revenue (-20.9%) to S$495.7 million at end 2022. Singapore and Hong Kong remain our two most important contributors, generating a combined 80% of total revenue.

Commission expenses (-36.6% yoy) and staff costs (-22.5% yoy) were kept in check amidst the declining revenue, and other operating expenses as well as financing expenses were at similar levels to past year. This resulted in a lower pre-tax margin of 24.5% (from 27.7%) and a profit before tax of S$121.4 million (-30.1% yoy).

In 2022, our continuous improvement efforts gained momentum. Improvement in client engagement procedures, as well as digitalisation and simplification of processes, reflect our focus on the customer journey: UOBKH was awarded second place in a Straits Times Customer Service mystery shopping survey in August. Initiatives to streamline back-office processes delivered efficiency gains of more than 1,600 man-hours per month. As part of our digitalisation and go-green journey, all our clients are now on the UTrade platform, where e-statements have been fully enabled. These initiatives enhance customer experience, improve efficiency and boost staff engagement, while allowing us to better manage our costs.

DIVIDEND

Our Board of Directors has recommended a first and final tax-exempt (one-tier) dividend of 6.0 cents per share (2021: 8.8 cents per share), maintaining a pay out ratio of approximately 50%.

As in the previous year, our shareholders can opt to receive their dividends in cash and/or in shares.

CURRENT YEAR PROSPECTS

As the battle to tame inflation yields results, it seems inevitable we will see a global economic slowdown. Unfortunately, we are already seeing the collateral damage, with bank failures in the United States due to interest rates increases and the collapse of depositors' confidence. Such negative sentiments have quickly swept over to Europe, triggering the hurried rescue of Credit Suisse, whilst writing down CHF$16 billion of AT1 bonds to zero.

We expect interest rates to remain elevated for a while. Hopefully investors' interest will return although with a more sober mindset, as can be seen in the greater interest for value opportunities and investment-grade assets.

Within Asia, we look forward to the positive effects from the re-opening and re-activating of the China economy. As Chinese regulators move from a restrictive to a more supportive stance, we expect stability to return to real estate and big tech, and South East Asia, with its strong economic links to China, to be a clear beneficiary.

Whilst we hold a tinge of optimism in our 2023 outlook, we are constantly reminded to maintain our vigilance and responsiveness towards market and other specific risks. We shall continue to improve on our product and service offerings, strengthen our capabilities, and strive to ensure our clients have the most timely and pertinent opportunities.

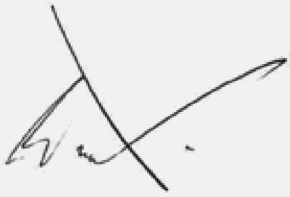
COMMUNITY SERVICE

We have continued to support various community and charity projects with total donations of S$127,500 in 2022.

APPRECIATION

Mr Yeow David, our Independent Director, will be retiring and not seek re-election when his term expires on 27 April 2023. I wish to express my appreciation to Mr Yeow for his valuable contributions to the group.

I would also like to thank our shareholders and stakeholders for their support, trust and faith in my management team and we pledge to continue to serve you to the best of our abilities.



WEE EE CHAO
Chairman and Managing Director

GREATER CHINA

Review of 2022

China's GDP grew 3.0% yoy in 2022, as 4Q22 growth slowed to 2.9% yoy from 3.9% yoy in 3Q22. 4Q22 growth was weighed by a COVID-19 pandemic resurgence after China moved ahead with its economic reopening in Nov 2022.

For the full year, software, IT and communications recorded the strongest growth of 9.1% yoy, followed by finance at 5.6% yoy and construction at 5.5% yoy. Despite the funding crunch in the real estate sector, construction was boosted by government-led fixed asset investments (FAI), with total FAI up 5.1% yoy. Investments outpaced retail sales which fell 0.3% yoy as household spending was affected by pandemic control restrictions and weak economic confidence. Just as it was in 2021, export was still the biggest growth contributor, up 7.0% yoy in US dollar terms, boosted by US and ASEAN demand.

Outlook for 2023

We expect the Chinese economy to grow 4.5% yoy in 2023, lifted by work resumption and a rebound in consumer spending. Tourism revenue over the Chinese New Year holidays have recovered to 73% of 2019 levels, while food and beverage saw customer traffic reaching 2019 levels and revenue 1.9% higher than 2019 levels. International inbound tourism will also be given a further boost in the coming quarters as airlines rebuild their capacities.

That said, growth-supportive macro policies are expected to remain in place as the property sector's funding needs have not been fully addressed. Local governments may also run larger fiscal deficits due to likely weakness in land sales revenue. Taking these funding needs into consideration, we believe that the PBOC will implement further reserve requirement ratio cuts.

The government will also provide further support to small and medium enterprises, with the view of improving job creation. Youth unemployment has fallen to 16.7% by end-22, after peaking at 19.9%, but remains much higher than the end-19 level of 10.7%.

Stock Market Review for 2022

The MSCI China staged a 35.5% rally from end-Oct 22, helping to lift the full-year performance to a decline of 23.5%. Over this period, the HSI fell 15.5%, outperforming CSI300, which fell 21.6%.

Within the MSCI universe, energy was the best performer, up 12.6% boosted by higher energy prices following the outbreak of hostilities between Russia and Ukraine. IT was the worst performer, down 41.2%, followed by real estate at 30.4% and utilities at 29.1%.

Stock Market Outlook for 2023

With the strong rally from end-Oct 22, the MSCI China index has briefly touched our index target for 1H23 at 75 points before retreating. It has also reached 11.7x 12-month forward PE, which is the historical average. Further index upside will have to be driven by earnings upgrades, i.e. contingent on the pace of economic recovery. In the most optimistic scenario, the index may trade up to 14.4x 12-month forward PE, implying an index target of 88 points.

We prefer exposure to reopening plays like food and beverage and tourism, given their low base for comparison. The government's reflationary policies should also be positive for the property sector and also financial institutions that are focused on consumer lending.

IT hardware and industrial automation should hit a cyclical bottom in 1H22, providing investors with a longer investment horizon an opportunity to accumulate.

A resurgence of Sino-US tensions and potential for higher Fed funds rates for longer are the two key risks to our positive view on Chinese equities.

INDONESIA

Review of 2022

Indonesia's GDP growth is expected to have come in at 5.4% in 2022, with 4Q22 GDP growth rising to 5.72% from 5.45% in 3Q22.

The USD/IDR exchange rate averaged Rp14,853 per dollar in 2022 compared with Rp14,297 in 2021. The rate closed at Rp15,573 on 31 Dec 22 compared with Rp14,263 on 31 Dec 21.

2022 was marked by aggressive interest rate hikes by the US Federal Reserve, followed by Bank Indonesia. The US Federal Reserve's effective rate was lifted from 0.08% in Jan 22 to 4.33% by Dec 22. Bank Indonesia's 7-day repo rate was raised from 3.50% in Jan 22 to 5.50% in Dec 22.

Outlook for 2023

While developed countries are likely to slip into a recession, Indonesia's GDP growth is set to remain high and is expected to come in at 4.9%, according to UOB Global Economic Research. Despite the slowdown, a high level of GDP growth has historically been conducive to the appreciation of the JCI.

USD/IDR is expected to depreciate slightly from Rp15,573 per dollar to Rp16,000 by 1H23 and Rp16,200 by Dec 23.

Bank Indonesia is likely to undertake another 50bp hike in 1Q23. By 1Q23, Bank Indonesia's 7-day repo rate could come in at 6.0%.

Stock Market Review for 2022

The JCI delivered a -1.59% return in USD terms last year, significantly outperforming the MSCI Asia Pacific ex-Japan Index which suffered an 18.77% decline.

Using the bottom up methodology on NPAT growth, 2022 NPAT could have risen by 35.5% yoy.

At the sector level, IDXENER delivered a 98.17% return as coal prices rallied to US$400/tonne. IDXINDUS came in second and posted a 7.75% return, followed by IDXHLTH with 3.07%. IDXNCYC saw a 2.44% return. The above sectors beat the JCI's USD return of -1.59%.

Sectors that underperformed the JCI in 2022 were led by IDXTECH which saw a -47.09% return in 2022. Due to interest rate hikes, IDXINFRA, IDXPROP and IDXFIN delivered -15.25%, -14.56% and -12.95% returns respectively. Meanwhile, IDXCYC, IDXBASIC and IDXTRANS posted -11.76%, -8.37% and -2.03% returns respectively.

Stock Market Outlook for 2023

The JCI's fair value for 2023 is 8,150, but we are likely to revise it down to 7,600. As for the JCI's EPS in 2023 and 2024, we foresee a 10.0% yoy rise each year, and using a PE of 13.8-15.3x, we derive an end-23 index target of 8,150.

Currently, the JCI is trading at 13.3x 2023F PE; which is below the historical -1SD PE of 13.9x. We deem the current valuation attractive.

In view of declining commodity prices, we recommend the consumer and coal sectors. Selling prices at consumer companies were raised by 10-15% in 2022 and are likely to remain high even as input costs decline. Lower coal prices will bode well for cement companies.

In the financial sector, we will focus on the top 4 banks as their NIM will likely remain stable, while mid and small banks' NIM will probably shrink as interest rates rise.

We like companies and sectors that suffered a severe derating in 2022. The technology sector declined by 47.09% with names such as GOTO, BBYB and ARTO falling more than 70%. We also like cigarettes stocks.

We have an UNDERWEIGHT rating on commodities, such as coal, and the plantation sector because China's reopening would translate to a higher global supply of commodities, which could lead to lower imports and softer commodity prices.

MALAYSIA

Review of 2022

Malaysia's GDP is expected to have recovered 8.3% yoy from 2021's low base of 3.1% as the country's COVID-19 pandemic lockdown conditions eased.

The strong momentum was led by higher private consumption, investments and exports. The economic recovery also gained more traction amid the ongoing transition to endemicity since Apr 22, continued government subsidies, higher wages and export revenue in light of higher commodity prices and strong global demand for Malaysia's electrical & electronic products.

The ringgit softened by 5.4% to RM4.40/US$, with the biggest monthly gain since 2016 in Nov 22 (over 5%) to RM4.47/US$. The outsized move was due to broad US dollar weakness on slower Fed rate hike expectations, relaxation of China's COVID-19 measures and overcoming the recent political impasse. Foreign reserves declined to US$109.7b from US$117.0b (Dec 21).

Outlook for 2023

Malaysia's GDP is expected to slow to 4.0% real GDP growth in 2023, as global headwinds take centre stage, while potential domestic policy changes and the new government's pledge to further consolidate fiscal position after the elections may weigh on consumption.

We factor in one policy rate hike to 3.00% by mid-23. The ringgit is expected to strengthen on potential domestic catalysts which include a political resolution that paves the way for pro-growth policies, domestic reforms and further OPR hikes.

Stock Market Review for 2022

2022 was riddled with many black swan events, such as the runaway inflation which prompted giant hikes in US policy rates, and the Russia-Ukraine war. Back at home, the country nervously endured a cliffhanger (hung parliament) for almost five days after the GE15 polling day. A myriad of factors contributed to the index's flattish -1.1% performance.

Foreign investors turned net buyers of Malaysian equities (RM4.4b inflow) from four consecutive years of outflow.

Stock Market Outlook for 2023

2023 should be a warmer and less turbulent year for Malaysian equities, although sentiment would likely be cautious for most of 1H23 before turning positive around mid-year, ahead of the prospects of a global economic recovery towards end-23.

The FBMKLCI's recovery will also be guided by a rebound in corporate earnings. Excluding glove stocks, the FBMKLCI's earnings are expected to recover by 10% in 2023. However, the upside would be capped by lingering concerns over the country's political stability.

Appealing investment themes include Asia's economic and border reopening, trade diversion (US-China trade war) and the green agenda.

SINGAPORE

Review of 2022

Singapore's GDP grew by 3.8% yoy in 2022, according to advanced estimates, and slightly above the Ministry of Trade and Industry's (MTI) guidance of "around 3.5%". Unfortunately, Singapore's GDP grew by only 2.2% yoy in 4Q22 and while in line with market expectations, it was the fourth consecutive quarter of slower qoq growth. The manufacturing sector was a notable drag on overall GDP as it contracted by 3.0% yoy, offsetting the yoy gains in services and construction activity.

Outlook for 2023

UOB Global Economics & Markets Research (GEMR) forecasts that Singapore's GDP will grow by only 0.7% yoy in 2023 after the reasonably solid 3.8% growth in 2022. The 2023 outlook is largely premised on a broad moderation in external economies this year, with the US and European economies (which are key end-markets for Singapore) likely to enter a recession this year partially as a result of the aggressive monetary policy-tightening stance among these advanced economies. This will directly impact Singapore's manufacturing and external-oriented services sectors and thus we can expect its manufacturing sector to contract by 5.4% in 2023 (from +2.6% for 2022). This is underpinned by the latest Singapore Purchasing Managers' Index readings for the last three months of 2022 which saw weakness.

In terms of interest rates, UOB GEMR predicts a US Fed Funds Target rate of 5.00% in 1Q23 and remaining at that level for the rest of the year. It forecasts the 10-year Singapore Government bond rate to rise to 3.55% in 1Q23 and thereafter declining to 3.30% by 4Q23.

Stock Market Review for 2022

With a 6.6% total return in 2022, the Straits Times Index (STI) was the best performer in the Asia Pacific region, and also easily outperformed the MSCI Asia ex Japan Index (-20.1%) which was dragged down by the significant underperformance of technology and China stocks.

At the sector level, the outperformers in 2022 were the aviation, financials, industrials, and property sectors, which were positively affected by a rebound in overall economic activity and optimism surrounding the normalisation of air travel taking hold. Shipyards and industrials in particular outperformed the market by a significant margin as a better business outlook, given significant oil and gas price increases in the past 12 months, improved sentiment on the sector.

For the second year in a row, REITs were less of a factor in 2022, with 14 out of the 20 covered by UOB Kay Hian trading more than 20% off their 52-week highs.

Stock Market Outlook for 2023

For 2023, our forecast year-end target for the STI is 3,520 using the top-down methodology. Our STI target uses a 6% yoy earnings growth for 2023, and a target PE and P/B of just under 12.9x and 1.3x respectively – both of these are around a 15% discount to the past five-year average for the index. We believe that this discount is fair in view of the risks to our earnings growth forecasts for 2023 given heightened recession risks.

We point out that using a bottom-up methodology and consensus earnings numbers would result in much higher STI targets of 3,800-4,000.

In our view, the STI's valuations are not stretched at present, trading at 2023F PE and P/B of 10.7x and 1.0x respectively, and paying a yield of nearly 5%. Compared with emerging market peers and global developed markets, the Singapore stock market is inexpensive on a PE and P/B basis with one of the highest yields.

We continue to recommend an OVERWEIGHT position on consumer, financials, property, selected REITs, shipyards & industrials, telecommunications and technology, while we are MARKET WEIGHT on aviation, gaming, healthcare and plantations.

THAILAND

Review of 2022

Thailand's economy grew 2.6% in 2022, increasing significantly from 1.6% in 2021. The growth was mainly supported by the announcement of the post-pandemic stage in Jul 22, which led to international tourist arrivals of over 1 million per month. Domestic consumption and tourism led the Thai economy's recovery.

Outlook for 2023

UOB Global Economics & Market Research forecasts that Thailand's GDP growth will increase by 3.7% yoy in 2023 on expectations of higher and steadier tourism income that will continue to boost domestic economic activities.

China's faster-than-expected reopening since 8 Jan has provided upside to Thailand's tourism and economy. Moreover, China has resumed pilot outbound tours to 20 selected countries, including Thailand, which would be a key catalyst to the latter's tourism supply chain and domestic consumption recovery. The Federation of Thai Industries has set a target for 30.0 million international tourists in 2023, significantly higher than the 11.2 million received in 2022 and equal to 75% of pre-pandemic levels.

Thailand's exports are expected to grow just 1.0% in 2023, down from 5.5% in 2022, according to the Office of the National Economic and Social Development Council. The current account is forecasted to turn to a surplus of Bt5.6 billion in 2023 from a deficit of Bt18.2 billion in 2022, due to lower petroleum imports and a better services account as foreign tourists return.

Deglobalisation and rising geopolitical conflicts, especially between China and the US, have prompted manufacturers to relocate from China to Southeast Asia, which would benefit Thailand's foreign direct investment trend and industrial estate sector. With reserves forming over 40% of Thailand's electricity generation capacity, the country is perfect for businesses that are heavy consumers of electric power, such as cloud services, data centres and electric vehicles. Domestic consumption and tourism have a positive outlook in 2023.

Inflation is showing signs of cooling as energy prices are declining, lowering the pressure on manufacturing costs and electricity expenses. Inflation in Jan 23 was 5.02% and is expected to slow down to 1-3%, which is the Bank of Thailand's target.

We expect the Bank of Thailand to hike its benchmark rate by 0.50% throughout 1Q23, resulting in a policy rate of 1.75%.

Stock Market Review for 2022

Although the SET Index started to see a decline to 8.45% in the middle of the year, it closed the year a little higher at 0.67% after surging In Dec 22 following China's announcement of its reopening.

In terms of sector performance, the outperformers were electronics (+57.44%) which was led by DELTA (+101.46%), tourism (+36.28%) which benefitted from Thailand's announcement of the post-pandemic stage and China's reopening, healthcare (+25.25%), property (+13.69%) which gained from a surge in unit transfers before the expiration of lower loan-to-value limits, and transport (+11.75%). The worst performers were person (-51.52%), industrial materials & machinery (-39.07%), steel (-23.66%) and agriculture (-20.41%).

Foreign investors were the only net buyers (Bt202b) in 2022, while local institutes (Bt153b) and local investors (Bt45b) were net sellers. Overall, foreign investors could absorb selling pressure and drive the market.

Stock Market Outlook for 2023

We view the outlook for the Thai equity market in 2023 as a tale of two halves – an impressive first half as the reopening boost gains momentum, and a less attractive second half.

We are optimistic on 1H23 given that the Thai economy will be boosted by: a) improving reopening momentum, b) China's faster-than-expected reopening and the arrival of Chinese tourists, c) lower energy costs and inflation which will enhance corporate profits, d) the upcoming election which will support spending and consumer confidence, and e) the mild impact from the recession in the EU and lower recession risks from the US.

We are more cautious on Thai equities in 2H23, given that: a) China's full reopening may drive crude oil and commodities prices higher and in turn spur inflation, b) high bond yields and the peaking of US rate hikes may induce fund flows from equities to bonds, and c) there could be equity weighting cuts as investors allocate more investments to China or the EU.

Our investment themes for 2023 are: a) reopening plays; b) sectors that benefit from the domestic consumption recovery, such as commerce, finance, industrial estate and property; and c) defensive plays such as utilities, telecommunications and food. The weighting will tilt from domestic plays in 1H23 to more defensive sectors in 2H23.

Our 2023 target for the SET Index is 1,790, derived from 17.0x forward PE (five-year mean) and EPS of Bt105.3

CORPORATE GOVERNANCE REPORT

This report describes UOB-Kay Hian Holdings Limited's corporate governance practices which are in essence in line with the principles and provisions of the Code of Corporate Governance 2018 (the "Code"). The Company is committed to maintaining a high standard of corporate governance, transparency and disclosure of material information.

The Board of directors is responsible for the corporate governance of the Company and its subsidiaries. The directors of the Company have a duty to act honestly, transparently, diligently, independently and in the best interests of all shareholders, in order to enhance shareholders' interests. The major processes by which the directors meet their duties are described in this report.

Principles & Provisions

Board Of Directors

The Board comprises 6 directors of which 1 is an executive director, 1 is a non-executive non-independent director and 4 are independent directors, with the majority of the Board being independent. 2.2, 2.3

The Board comprises directors who as a group provide core competencies such as business, legal, finance, management and strategic planning experience, industry knowledge and customer-based knowledge.

On an ongoing basis, the Board examines its size and, with a view to determining the impact of the number upon effectiveness, decides on what it considers an appropriate size for the Board to facilitate effective decision making taking into account the scope and nature of the Group's operations. 2.4

Pursuant to Rule 710A of the Listing Manual, the Company Board Diversity approach strives to achieve an optimal composition by ensuring that diversity, primarily in terms of complementary skills, core competencies and experience, gender and other aspects of diversity, would benefit the Group and enhance its long term success. It aims to challenge management and involve management in debate and to mitigate groupthink. In reviewing Board composition and succession, the Nominating Committee (NC) will consider the benefits of diversity, including talent, knowledge, experience, gender, age and other relevant factors, to achieve optimum composition. 3.1

Every year the NC will review each director based on its criteria and appoint them on the basis of their strength and calibre, field of specialization, experience, stature, character and commitment. Our current board age ranges from 46 years to 68 years old.

Our chairman and managing director, Mr. Wee Ee Chao, is a highly regarded veteran in the stockbroking industry and has extensive experience managing this business. The Board considers that his dual role contributes significantly to the objective of managing the Company in a most effective and efficient manner, particularly given the size and nature of our business. Nevertheless, the overall structure and composition of our Board ensures that corporate governance aspects and shareholders' interests are fully addressed. In addition, the Audit, Remuneration and Nominating Committees are chaired by independent directors.

<u>Independent Directors</u>

We have 4 independent directors, namely Mr. Tang Wee Loke, Mr. Kuah Boon Wee, Mr. Andrew Suckling and Mr. Yeow David. 2.1

The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence to the Board.

Principles & Provisions

2.1

Name of Director	Audit Committee	Nominating Committee	Remuneration Committee
Mr. Tang Wee Loke	Member	Chairman	Member
Mr. Kuah Boon Wee	Chairman		Member
Mr. Andrew Suckling		Member	Chairman
Mr. Yeow David	Member		
Mr. Leong Kok Mun, Edmund*	Member	Member	

* Mr. Leong Kok Mun, Edmund is a non-executive non-independent director.

For more information on the directors, please refer to the "Profile of Directors & Key Management Personnel" on pages 37 to 39. 4.5

The roles of our independent and non-executive directors are to review and provide input on:

- the business strategy and overall performance of the Board and key management to ensure that they are consistent with the objectives of the shareholders; and

- our overall corporate governance processes to ensure that the interests of the shareholders are adequately protected.

Each independent director is required to provide an annual confirmation of his independence based on the conditions and criteria set out in the Code/listing rules and the independence of the independent directors has been thoroughly assessed and reviewed by the Nominating Committee and the Board. The Board is satisfied that the independent directors are considered independent as each of them has met all the conditions and criteria of independence under the Code and the listing rules. The independent directors also do not have any cross directorships with any of the Group companies. In addition, they do not receive any incentive compensation other than the fixed fees which are approved by shareholders at Annual General Meetings ("AGM"). The Board is assured that each of them is independent in conduct, character and judgment, objective and fully committed to their role as independent director and that they would continue to exercise independent and valuable judgment.

Mr. Tang is an independent director who has served on the Board for more than 9 years. He began his career in Kay Hian & Co (Pte) in 1973 and was a founding chairman of the Securities Association of Singapore. As one of the pioneers in Singapore stockbroking industry, Mr. Tang's sharp insights, both in the Singapore and overseas stockbroking industries has been an invaluable asset to the Board. In April 2024, when the 9-year rule takes effect, Mr. Tang will cease to be independent, the Board intends to continue to seek Mr. Tang as a non-independent director.

The independent directors meet and interact regularly without the presence of the other directors and management and provide feedback to the chairman after such meetings. 2.5

Though our chairman and managing director are the same person, we have not appointed a lead independent director as our chairman and managing director is balanced by a strong independent non-executive directors of the board that is able to engage the chairman and managing director on substantive business issues and corporate governance matters. 3.3

Principles & Provisions

Chairman's Roles

The chairman's roles includes: 3.2

- leading the Board to ensure its effectiveness on all aspects of its role;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and management;
- facilitating the effective contribution of independent/non-executive directors in particular; and
- promoting high standards of corporate governance.

The chairman ensures that Board meetings are held when necessary and sets the Board meeting agenda. The Board members are also provided with adequate and timely information for their review and consideration. 1.6

Managing Director Roles

1.4

The managing director's roles includes:

- providing strategic direction in the day to day operations; and
- driving the group's growth segment.

To facilitate effective management, certain functions are delegated by the Board to Board Committees, each with its own terms of reference. The Board is assisted by Audit, Remuneration and Nominating Committees. 1.5, 11.3

The Board through its various sub-committees which are in turn governed by their respective terms of reference ensures compliance with legislative and regulatory requirements.

The following is a summary of directors' attendance at meetings of Board and Board Committees and general meetings of shareholders during the financial year ended 31 December 2022:

Board members	Board	Audit Committee	Remuneration Committee	Nominating Committee	Annual General Meeting	Extraordinary Meeting
Meetings held	2	4	1	1	1	1
	Meetings attended					
Mr. Wee Ee Chao	2	N.A.	N.A.	N.A.	1	1
Mr. Esmond Choo Liong Gee	1	N.A.	N.A.	N.A.	1	N.A.
Mr. Tang Wee Loke	2	4	1	1	1	1
Mr. Kuah Boon Wee	2	4	1	N.A.	1	1
Mr. Andrew Suckling	2	N.A.	1	1	1	1
Mr. Yeow David	2	4	N.A.	N.A.	1	1
Mr. Leong Kok Mun, Edmund	2	4	N.A.	1	1	1

	Principles & Provisions
Fulfilling the responsibilities and duties of a director requires an individual's time and attention. Competing time commitments may be faced when a director holds multiple Board representations which may interfere with his performance as a director. Directors are expected to ensure effective commitment and spend sufficient time carrying out their responsibilities. To ensure that directors have sufficient time and attention to devote to the Board, the Company has capped the directors' directorships in other listed companies to 5.	1.5, 4.5

The Board does not encourage the appointment of alternate directors and has not encountered any situation which requires such consideration.

Board Roles

The Board oversees the overall strategy, provides entrepreneurial leadership, sets strategic objectives, establishes a framework of prudent and effective controls, supervises the management, reviews management performance and reviews the affairs and financial position of the Company and the Group. Matters which are specifically reserved for the Board's decision include: 1.1, 1.2, 1.3

- semi-annual and annual results announcements;
- financial statements;
- declaration of interim dividends and proposal of final dividends;
- convening of shareholders' meetings;
- interested person transactions; and
- major transactions such as material acquisition and disposal of assets, significant investments and funding & corporate guarantees.

The Board in its governance role fulfils the long term economic, moral, legal and social obligations towards their stakeholders to create long term success and sustainability. Key stakeholders are shareholders, customers, employees, regulators and the community. 13.1

To assist the Board in the discharge of its duties, management provides the Board with periodic accounts of the Company and the Group's performance, position and prospects. Directors receive Board papers in advance of Board and Board Committee meetings and have separate and independent access to the Company's senior management and the Company Secretary. There is a procedure where any director may, in the execution of his duties, seek independent professional advice. All expenses in seeking professional advice will be borne by the Company, however, during the year no professional advice was sought. 1.6, 1.7

To familiarise newly appointed directors with the Group's business and corporate governance practices, directors are provided with relevant materials of the Group's business which explain activities and how the Group's business is managed. 1.2

Upon appointment, each director is given a letter of appointment and is informed of his duties and obligations.

Any newly appointed director who does not have prior experience as a director of an SGX-ST listed company will undergo mandatory training as required under rule 210(5)(a) of the Listing Manual of SGX-ST (the Listing Manual) on the roles and responsibilities of a listed company director.

All directors are regularly updated with changes in the relevant laws and regulations to assist them in discharging their duties and responsibilities. Directors have opportunities for continuing education in various areas and are kept informed of relevant training courses or talks organised both internally or by external authorities or organisations.

During the year 2022, all the Directors attended LED - Environmental, Social and Governance Essentials, conducted by Singapore Institute of Directors. The Company was responsible for arranging and funding the training of directors.

Principles & Provisions

Company Secretary's Roles

The key roles of the Company Secretary are to:

- be primarily responsible for administrative and reporting functions mandated by law;
- ensure Board procedures are followed;
- ensure effective communication between the Board, Board Committees, management and shareholders;
- advise the Board on governance matters; and
- attend all Board and Board Committee meetings.

The appointment and removal of the Company Secretary must be approved by the Board. 1.7

Audit Committee ("AC")

The AC comprises 4 members, namely Mr. Kuah Boon Wee (chairman), Mr. Tang Wee Loke, Mr. Yeow David and Mr. Leong Kok Mun, Edmund. Mr. Kuah, Mr. Tang and Mr. Yeow are independent directors and Mr. Leong is a non-executive non-independent director. All 4 members have related financial management expertise or experience. Key information on the directors and their appointments on the various Board Committees and on key management personnel of the Group is given under the section "Profile of Directors & Key Management Personnel" on pages 37 to 39. 10.2

None of the members of the AC were at anytime a partner/director of the Company's existing audit firm. 10.3

The AC met a total of 4 times during the year. An executive director, the heads of internal audit, compliance, finance and the external auditors normally attend the meetings. Throughout the year, Mr. Kuah and the external auditors, Messrs Deloitte & Touche LLP, have direct access to the Internal Audit and will reach out to ask questions, if any. 10.5

The key terms of reference of the AC are: 10.1

- to review the adequacy and effectiveness of the internal control and risk management systems;
- to review the audit plans and findings of the internal and external auditors;
- to review all announcements of financial results; and
- to review interested person transactions.

The AC:

- has full access to and co-operation from management as well as full discretion to invite any director (executive or non-executive) to attend its meetings;
- has been given reasonable resources to enable it to complete its functions properly; and
- has reviewed findings and evaluations of the system of internal controls with the internal and external auditors.

Principles & Provisions

The AC has reviewed and confirmed that Messrs Deloitte & Touche LLP is a suitable audit firm who satisfies the Company's audit obligations with adequate resources and experience and the assigned audit engagement partner, number and experience of supervisory and professional staff assigned to the audit, given the size and nature of the Group. The AC, having reviewed all non-audit services provided by the external auditors, is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. A sum of S$153,252 was paid to the external auditors for non-audit services versus S$735,440 for audit fees rendered during the year. The AC annually reviews the independence of the external auditors. 10.1

Rule 715 requires an issuer to engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. For the subsidiary, PT UOB Kay Hian Sekuritas, the external auditor is Paul Hidajat. Arsono, Retno, Palilingan & Rekan (a member firm of PKF International). For the subsidiary, UOB Kay Hian Securities(Philippines) Inc, the external auditor is Roxas Cruz Tagle and Co.

UOB Kay Hian (U.K.) Limited and UOB Kay Hian (U.S.) Inc. are not significant subsidiaries.

The Company has complied with rules 712, 715 and 716 of the Listing Manual on the appointment of auditors.

The AC has established a whistle-blowing policy where staff may in confidence raise concerns about possible improprieties in matters of financial reporting, fraud or other matters, and to ensure that arrangements are in place for independent investigations of such matters. The Company will treat all information received and the identity of whistleblowers as confidential. It also commits to ensuring that whistleblowers will be treated fairly, and protected against reprisal, detrimental or unfair treatment for whistleblowing in good faith. The AC is empowered to conduct or authorise investigations into any activity within its terms of reference and obtain independent advice where it deems necessary. There were no incidents of concern received by the AC during the financial year 2022. 10.3

The external auditors during their semi-annual meetings with the AC will update the members of the relevant changes to the accounting standards.

Internal Control And Risk Management

The Board reviews on a quarterly basis the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. Based on the work carried out by the internal auditor, the review undertaken by the external auditors as part of their statutory audit and certain agreed upon procedures, and the existing management controls in place, the AC and the Board are of the opinion that there are adequate and effective internal controls and a risk management system in place to address risks relating to financial, operational, compliance, information technology controls and risk management systems matters. 9.1, 9.2

The system of internal controls is designed to reasonably manage rather than eliminate the risk of failure to achieve intended objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss, errors, poor judgment, fraud and other irregularities and other unforeseen events.

During the year, the AC, on behalf of the Board, has reviewed the adequacy and effectiveness of the Group's material internal controls. The processes used by the AC to review the adequacy and effectiveness of the system of internal control and risk management include:

- discussions with management on risks identified by internal audit;
- the audit processes;
- the review of internal and external audit plans; and
- the review of significant issues arising from internal and external audits.

Principles & Provisions

The Board and AC have also received and reviewed the assurance from the managing director, the finance director, the internal audit manager and other key management personnel who are responsible, that the financial records have been properly maintained, the financial statements give a true and fair view of the Company's operations and finances and adequate effective risk management and internal control systems have been put in place. To manage the operations, financial and compliance risks, the Company has in place the following structures involving senior management:

- management oversight and control;
- risk recognition and assessment;
- control framework and segregation of duties;
- monitoring, communication and rectification; and
- audit and review.

Internal Audit

Internal audit performs continuous monitoring to ensure compliance with Group policies, internal controls and procedures designed to manage and safeguard the business and assets of the Group. The work of internal audit is focused on areas of greatest risk to the Group as determined through the audit planning process. The formal reports resulting from such reviews are provided to the AC and the chairman of the Board. The Company's external auditors, Messrs Deloitte & Touche LLP, contribute a further independent perspective on certain aspects of the internal financial control system arising from their work and annually report their findings to the AC.

The internal auditor's line of functional reporting is to the AC. Administratively, the internal auditor reports to the chairman and managing director of the Company. 10.4

The AC is satisfied that the internal audit function is independent and adequately resourced to carry out its duties effectively and has appropriate standing within the Company. The internal audit department is staffed by suitably qualified and experienced persons. 10.4

The AC regularly reviews the Company's internal audit function and whether the internal audit function meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and it is of the opinion that the Company's internal audit function remains effective. The AC is also satisfied that the internal audit function is independent and are of the opinion that up to date adequate resourcing of internal audit remains challenging even if currently materially adequate. Adequate manpower and technology developments are key areas of focus. 10.1

Remuneration Committee ("RC")

The RC has 3 members, comprising independent directors, namely Mr. Andrew Suckling (chairman), Mr. Kuah Boon Wee and Mr. Tang Wee Loke. The RC has access to external consultants for expert advice on executive compensation, if necessary. No external consultant was deemed necessary to be engaged during the financial year 2022. 6.2, 6.4

The RC reviews all aspects of directors' and key management's remuneration. The key terms of reference of the RC are: 6.1

- to make recommendations to the Board with regard to the remuneration of directors and key management personnel and to ascertain that they are fairly remunerated; and
- to formulate the framework of remuneration for the directors and key management personnel.

Principles & Provisions

The Group's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate directors and key management personnel (KMP). 7.3

The RC reviews the remuneration packages of the Company's executive directors and key management personnel, which are based on the performance of the Group and the individual, market conditions and remuneration levels within the industry.

There are no onerous termination clauses in the directors' and key management personnel's contracts of service.

When reviewing the structure of directors' fees, the RC considers their respective roles and responsibilities on the Board and in the Board Committees. All directors' fees are subject to the approval of the shareholders at the AGM. 7.2

The nature of our industry and its considerable dependence on market conditions requires the Board and management to have a remuneration structure which is flexible and addresses short term profitability as well as long term objectives. Focus on long term objectives is ensured through long term retention of key management and staff, and consistent business strategy. As such, we do not see the need for long term incentive plans, which may create inflexibility and impact short term profitability. 8.3

Contractual provisions for reclaiming incentives do not appear relevant and we will consider such policy when the need arises.

Disclosure on Directors' Remuneration

The remuneration of the directors of the Company for the financial year ended 31 December 2022 is as follows 8.1, 8.2

Directors	Total Remuneration (S$'000)	Fees (%)	Fixed Salary (%)	Variable Income (%)	Total (%)
Wee Ee Chao	4,227	–	11.49	88.51	100
Esmond Choo Liong Gee	12	100	–	–	100
Tang Wee Loke	58	100	–	–	100
Kuah Boon Wee	69	100	–	–	100
Andrew Suckling	48	100	–	–	100
Yeow David	45	100	–	–	100
Leong Kok Mun, Edmund	48	100	–	–	100

There are no benefits in kind, stock options, share-based incentives or other long-term incentives.

The Company does not disclose the remuneration of the top five key management personnel (who are not directors) within bands of S$250,000 each, the breakdown of each individual's remuneration and the aggregate total remuneration. The Company's remuneration policy is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate directors and key management personnel. The RC reviews all details of the remuneration packages of the executive directors and key management personnel, on an individual basis.

Individual remuneration is based on the performance of both the Group and the respective individual, market conditions and remuneration levels within the industry. In assessing individual performance, among other aspects, we consider contributions to short term profitability, long term objectives and risk management. 8.2

Principles & Provisions

The Company makes full disclosure of the remuneration of the Directors and Managing Director with an explicit breakdown between fixed salary and variable income. Our KMP are remunerated in a similar manner to the executive directors and their compensation generally includes a high variable component in the form of a discretionary bonus which is determined annually. For 2022, this variable component comprised approximately 71.2% of total remuneration of the KMP. Aggregate discretionary compensation has been and continues to be very closely aligned with Group profitability. 8.2

The Company has taken into consideration the sensitive and confidential nature of remuneration matters and believes that disclosure of the remuneration packages of the KMP would be disadvantageous to its business and its shareholders' interests given the highly competitive human resource environment that the Company operates in. This sensitivity is exacerbated by the fact that we are the only listed brokerage house in Singapore.

In addition, the Company seeks to promote a collegiate senior team culture focused on collective performance and wished to minimize individual comparisons.

The Company is of the view that the intent of Principle 8 of the Code is met by the Company's remuneration policy and processes, the role of the RC and by the information provided.

Non disclosure does not compromise the ability of the Company to meet the code on good corporate governance as the RC, which comprises solely independent directors, reviews the remuneration package of such KMPs who are remunerated based on the performance of the Group to ensure that they are fairly remunerated.

The Company and its subsidiaries do not have any employee who is a substantial shareholder of the Company, or is an immediate family member of a director, the managing director or a substantial shareholder of the Company.

The Company does not have any employee share scheme. Employees may invest in our listed shares and benefit from our Scrip Dividend Scheme. 8.3

Nominating Committee ("NC")

The NC has 3 members comprising 2 independent directors, namely Mr. Tang Wee Loke (chairman) and Mr. Andrew Suckling and non-executive non-independent director Mr. Leong Kok Mun, Edmund. 4.2

The key terms of reference of the NC are: 4.1, 4.3, 4.4

- to review and make recommendations to the Board on all board appointments and re-appointments and to consider the skills and experience required to ensure the Board has the appropriate balance of independent directors with the right expertise, skills, attributes and ability. New directors may be appointed by a Board resolution following which they are subject to re-elections by the shareholders at the next AGM;

- to oversee the composition and balance of the Board and to ensure that they meet the requirements under the Code;

- to ascertain that the independent directors meet the conditions and criteria set out in the Code and the Listing Manual;

- to assess the effectiveness of the Board as a whole and its Board Committees and the contribution by the chairman and each director to the effectiveness of the Board; and

- to review training and professional development programmes for the Board.

The NC is also tasked with developing, maintaining and reviewing relevant and appropriate recruitment, development and succession planning processes.

Principles & Provisions

The NC, when making recommendations for new appointments to the Board, will consider the nominee's track record, experience, financial literacy, core competencies and ability to commit time and effort to carry out his or her duties and responsibilities effectively.

The Board also recognises that Board and key management personnel renewal is a continuing process and therefore periodically reviews the compositions of the Board and key management personnel to ensure that there are adequate succession plans in place, with the objective of maintaining strong leadership for long-term sustainability of the business.

There is a process for the NC to evaluate the performance of the Board and the Board Committees. Objective performance criteria used to assess the performance of the Board include: 5.1, 5.2

- comparison with industry peers;
- return on assets; and
- return on equity.

The Board reviews the NC processes for assessing the effectiveness of the Board and the various Board Committees. No external facilitator was engaged during the financial year ended 31 December 2022.

On an annual basis, the directors will perform a self-evaluation by completing a director self-evaluation form which would be reviewed by the NC. Where necessary, the chairman will act on the results of the performance evaluation. When new directors need to be appointed or existing directors retired, the chairman will inform and consult the NC. The minutes of the various Board Committee meetings are forwarded to the Board for their review.

<u>Retirement and Re-election of Directors</u>

Pursuant to the Company's Constitution and the SGX-ST Listing Manual, at least one-third of the directors are required to retire by rotation and submit themselves for re-election at each annual general meeting of the Company and all directors shall submit themselves for re-nomination and re-appointment at least once every three years. Newly appointed directors submit themselves for re-election at the first AGM following their appointments.

After reviewing and considering the NC's recommendations, the Board would make the decision to propose the re-election of directors for shareholders' approval.

Two directors namely, Mr. Kuah Boon Wee and Mr. Yeow David, are due for re-election at the forthcoming AGM. Mr. Kuah has consented to be re-elected as a Director of the Company. Mr. Yeow has decided not to seek for re-election and hence will retire as a Director of the Company upon conclusion of the Annual General Meeting held on 27 April 2023

Communication With Shareholders

The Board regards the AGM as an opportunity to communicate directly with shareholders and to encourage participative dialogue. The members of the Board will attend the AGM and are available to answer questions from the shareholders. External auditors are also present to assist directors in addressing relevant queries by the shareholders. 11.1, 11.3

Separate resolutions are proposed for each issue at the AGM. Minutes of general meetings includes substantive and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and management. The Company will post minutes of general meetings via SGXNET and on the Company's website within one month after the general meetings. 11.2, 11.5

The Company treats all its shareholders fairly and equitably, and protects and facilitates the exercise of shareholders' rights.

Principles & Provisions

The Company will continue to conduct voting by live poll at the coming physical AGM for greater transparency in the voting process. Votes cast will be tallied and announced to shareholders at the meeting and the detailed polling results released via SGXNET after the meeting.

The Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead. 11.4

To maintain transparency and fair dissemination to shareholders, the Company makes timely disclosures to the public via SGXNET and postings on the Company's website. Information on the Company's corporate financials and stock is available in the investor relations section of the Company's website. Where there is inadvertent disclosure made to a select group, the Company would make the same disclosure publicly to all others as promptly as possible.

The Annual Report 2022, Addendum to Shareholders in relation to the renewal of the Share Buyback Mandate, Notice of AGM and Proxy Form are posted on the Company's website at www.uobkayhian.com and released via SGXNET. 12.1, 13.3

In addition, shareholders and investors are able to contact the Company with questions or access information on the Company through the Company's website at www.uobkayhian.com.

AGM 2023

The Company's AGM 2023 will be held at the Auditorium, 8 Anthony Road, Singapore 229957 on Thursday, 27 April 2023 at 5:30 p.m.. Shareholders should submit their written questions related to the resolutions to be tabled at the forthcoming AGM in advance of the lodgment of the proxy forms for the AGM, in accordance with the instructions set out in the Notice of AGM dated 11 April 2023.

The Board and management will address all substantial and relevant questions and will endeavour to publish its responses to those questions on the Company's website and SGXNET 48 hours prior to the closing date and time for the lodgment of proxy forms. Where substantial and relevant questions submitted by shareholders are unable to be addressed prior to the AGM, the Board and management will address them live during the AGM. Please refer to the Notice of the AGM dated 11 April 2023 for more information.

Dividend Policy

Our dividend policy pays out 50% of distributable profits. 11.6

In view of this, the Board has recommended a first and final dividend of SGD0.06 per share for the financial year ended 31 December 2022, which is subject to the Shareholders' approval at the forthcoming AGM of the Company.

Engagement with Stakeholders

Other than our shareholders, our key stakeholders are our clients, regulators and employees. The Board recognises the need to balance the needs and interests of key stakeholders with those of the Company. We have established channels of communication for clients to provide feedback to management on various client related issues and for employees to communicate with the management on important developments within the Company. There is regular engagement with regulators to keep abreast of and to provide feedback on regulatory developments. 13.2

For more information, please refer to page 28 of the Sustainability Report.

Corporate Website

All material information on the performance and development of the Group and the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's corporate website: www.uobkayhian.com. 13.3

Principles & Provisions

Dealings In Securities

The Group has devised and adopted an internal code of best practices on securities transactions to provide guidance to its directors and officers in relation to dealings in the Company's securities. A system of reporting of securities dealings to the Company Secretary by directors has been established to effectively monitor the dealings of these parties in the securities of the Company. In addition, a circular is issued before the start of each moratorium period to remind officers to refrain from dealing in the Company's securities prior to the release of the Group's financial results. The officers of the Company are also discouraged from dealing in the Company's securities on short-term considerations.

Listing Manual 1207(19)

With the adoption of semi-annual reporting from financial year 2020 and in accordance with rule 1207 of the Listing Manual, the Company and its officers should not deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements.

Interested Person Transactions

The Company has established internal procedures to ensure that interested person transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's usual business practices and policies, and are not prejudicial to the interests of the Company and its minority shareholders and on terms which are generally no more favourable to the interested persons as defined in Chapter 9 of the Listing Manual, than those extended to or received from unrelated third parties.

Listing Manual Rule 907

Particulars of interested person transactions required to be disclosed under rule 907 of the Listing Manual are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions in FY2022 (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to rule 920)	Aggregate value of all interested person transactions conducted in FY2022 under shareholders' mandate pursuant to rule 920 (excluding transactions less than S$100,000)
Peak Properties Pte Ltd	Company in which the chairman and managing director has an interest of 30% or more	S$535,536(1)	Not applicable
PT UOB Property	Subsidiary of the Company's controlling shareholder, United Overseas Bank Limited	S$288,650(2)	Not applicable

(1) Receipt of rent for lease of 7,438 square feet of office space at 8 Anthony Road #01-02 Singapore.

(2) Payment of rent for lease of 13,983 square feet of office space in Jakarta.

Material Contracts

Except as disclosed in the directors' statement and financial statements, no material contracts (including loans) of the Company or its subsidiaries involving the interests of the managing director or any director or controlling shareholder subsisted at the end of the financial year or have been entered into since the end of the previous financial year.

Listing Manual Rule 1207(8)

STATEMENT OF THE BOARD

The Board recognises that sustainability is a key component of the UOB Kay Hian Group's long term business strategy. The Board is responsible and committed to building a sustainable business in the interests of its stakeholders while the Management steers and drives UOB Kay Hian's sustainability efforts.

SUSTAINABILITY GOVERNANCE

In today's investment climate, non tangible financial factors are becoming increasingly important to our stakeholders.

Stakeholders are beginning to look beyond economic and operational factors in evaluating management and corporate accountability. This Sustainability Report is based on economic, environmental, social and governance issues that are material to the UOB Kay Hian Group of companies. Reports on our economic and operational matters are set out in pages 46 to 118 of our annual report.

SCOPE OF REPORT AND PERIOD OF REPORTING

This report focuses on the sustainability practices and strategy of the UOB Kay Hian Group of companies. It seeks to meet the interest of our stakeholders in the non-financial information of the Group and demonstrates our effort to report to our shareholders and other stakeholders the steps we are taking to achieve a more sustainable business model and contribute to a more sustainable environment.

FRAMEWORK

UOB-Kay Hian Holdings Limited has reported with reference to the Global Reporting Initiative (GRI) Standards for the period from 1 January 2022 to 31 December 2022. This is also in alignment with SGX Sustainability guidelines. The GRI standard is chosen as it is a universally accepted standard for reporting.

ENGAGEMENT OF KEY STAKEHOLDERS

Key Stakeholders	Form of Engagement	Key Topics
Clients	Seminars, workshops, sales engagement, social media platforms e.g. Facebook, Telegram, customer service hotline/feedback platforms	Capital markets, corporate news, investment strategy and tools
Regulators	Dialogue and face to face/virtual meetings	Regulations, cyber security, corporate governance
Employees	Face to face/virtual meetings and discussions, electronic communication, corporate events, regular dialogues, townhalls	Performance, work efficiency, product related, talent retention and attraction, safety and well-being, training, safe work environment
Shareholders	Announcements, semi-annual financial reporting, annual reports including sustainability reports, general meetings, corporate website	Performance, corporate governance, sustainability efforts

Trusted Financial Partner

As a provider of regulated financial services, we position ourselves as a trusted financial partner of our clients. To achieve this, we have identified the following key Environmental, Social and Governance (ESG) factors necessary for the continuing success of our business:

MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS

(A) Critical factors

(i) Clients

Our client base comprises financial institutions, fund management companies, corporations, high net worth and mass market retail clients. Each group of clients will have their own investment and trading strategies and will require different types of services and levels of engagement from us. As a trusted financial partner and responsible broker, we see ourselves having an important role sharing our knowledge and helping to develop the capital markets in the region. Over the years, the ease of access to information and technology have enabled our clients to rely less on trading representatives to make informed self-directed investments. We are committed to educating the investment community and providing a robust platform and relevant investment/trading tools to help investors make better investment/trading decisions.

To achieve this, we have:

Trading tools
As part of our continuous efforts to provide better trading experience for our clients, we have revamped our trading platform UTRADE with simpler, better organised widget-like pages and an Interactive Dashboard where key account information may be viewed with ease. Clients are now able to customise their own workspace with widgets to suit their trading style while having the latest key business news and events at their fingertips.

Regular seminars and workshops on trading tools, corporate and market updates on the major regional and global markets are conducted during the evenings and weekends.

Presentations
Offer presentations by fund houses and listed companies while taking into consideration the diversified interests of our clients, ranging from those who are looking for more stable but better yield instruments to those who have the appetite for riskier stocks with potentially better capital gains.

Technology and Research
Invest heavily in technology and research to enable our increasingly tech-savvy clients make better investment decisions.

Feedback
Engage our clients actively and solicit feedback on their various investment needs.

Client Centricity
We see the importance of having a client centric culture that goes beyond the front line staff. All staff, including back room staff should keep in mind the end-client perspective when performing day to day tasks and process reviews. In FY 2022, as part of our process review initiatives, improvement in client engagement procedures, digitalisation and simplification of processes reflects our focus on the customer journey: UOBKH was awarded 2nd place in Straits Times Customer Service mystery shopping survey in August.

(ii) Integrity and Fair Dealing

We strive to develop a corporate culture which will give our clients the confidence that they are dealing with a financial institution where fair dealing is central to the corporate ethos. The confidence clients place in us and their trust in our ability to help them manage and safe-keep their assets is a core ingredient to the success of our business. To achieve this, we:

(a) Inculcate a corporate culture where our trading representatives and staff apply the highest professional and ethical standards in dealing with our clients. Checks are in place to ensure there is no conflict of interest in handling of client orders;

(b) Conduct reviews to ensure that our staff and trading representatives satisfy the ‘fit and proper’ criteria for the role they are engaged in;

(c) Have procedures in place to ensure that investment products are screened by our product committee and proper client assessments are conducted where necessary; and

(d) Procedures are in place to ensure that there is no conflict of interest in the handling of market sensitive information.

We have a process to capture and report to management on client feedback and complaints. These client feedback and complaints are reviewed by management on a regular basis to enable the Company to improve its service level and client satisfaction. We believe in instilling a culture of doing what is right and fair to the clients in the handling of complaints.

(iii) Human Capital

Our staff and trading representatives are our key assets. The UOB Kay Hian Group believes in an all-inclusive work environment and we have a multi-cultural and multi-generational workforce. As a regional broker with footprints in the major regional markets, we recognise that we deal with clients and colleagues from diverse cultural backgrounds. In our dealing with our overseas clients and colleagues, we are mindful of the need to be sensitive to the cultural diversity of the clientele of the different countries. We believe it is important that where possible, local talent across all levels are hired in our overseas offices.

We recognise the importance of having an appropriate human capital strategy in a very competitive environment to make sure that we are able to recruit and retain the right talent. We believe in nurturing our talent, managing employee performance, cultivating leadership skills and planning for succession.

We have in place a holistic and sustainable package to attract and incentivise the right talent. We recognise the need to help our colleagues build a meaningful career and provide a physically and professionally conducive environment to help our colleagues achieve their professional goals.

To achieve this:

(a) In addition to a basic salary, we offer a sustainable performance bonus based on the Company's as well as the employee's performance;

(b) Identify and promote deserving staff with potential to develop their career in the organisation;

(c) Regulatory, technical and soft skills training is conducted to help our staff keep abreast of the demands of their jobs. In FY2022, we organised various engagement and training programmes to deepen employees' expertise and capabilities as well as improve their soft skills. This includes leadership training for our department heads, Microsoft Excel training for our staff, Process improvement technique training for well-deserving staff who challenge the status quo of processes in seeking efficiency; and

(d) We are dedicated to principles of fair employment in our HR policies, abide by labour laws and are guided by the Tripartite guidelines.

In order to have a sustainable business, we recognise the importance of renewing and refreshing our talent pool and preparing staff with the potential to assume key management and leadership positions.

We recruit graduates and mid-career professionals looking for a career switch from within and outside the industry and groom them to take on various roles within the organisation.

Our clientele includes millennials to those in the pioneer generation age groups. Some clients feel more comfortable having a trading representative to exchange ideas and to assist them in their investment decisions. Our trading representatives' varied age groups enable them to connect, appreciate and assist our clients according to their investment needs.

We are committed to gender equality and equal opportunities. We hire and promote based on suitability and merit.

We believe that staff welfare is an important supplement to the remuneration package offered to our colleagues. In this respect, we provide health and dental care and organise company wide gatherings. As part of staff benefits and welfare, long serving staff and sales personnel are recognised with long service awards.

Work efficiency

In FY 2022, initiatives to streamline back office processes enabled efficiency gains of more than 1,600 man-hours/month. These initiatives improve customer experience, improve staff efficiency and engagement, and allow us to better manage our costs.

Our workforce which comprises the following remain stable:

AGE PROFILE	**2022**	**2021**	**2020**
35 years and below	48%	29%	28%
36-50	24%	36%	35%
>50	28%	35%	37%
Total	100%	100%	100%

GENDER MIX	**2022**	**2021**	**2020**
Male	48%	46%	43%
Female	52%	54%	57%
Total	100%	100%	100%

COVID-19

In FY2022, while the COVID-19 pandemic was beginning to ease, we remain committed to prioritising their safety and providing them with a healthy working environment.

Our safe management measures committee keeps abreast with the latest health advisories/protocols issued by the relevant government agencies and implements precautions to protect our staff and ensure that we comply with all health regulations regarding COVID-19.

(iv) Technology Risk

As a provider of stockbroking services, we are in possession of client sensitive information, we are mindful that we are exposed and vulnerable to cyber security-related threats prevalent in the digital era. Such threats if not properly addressed could potentially cause disruption to our services and leakage of sensitive information. In protecting and enhancing our information security, we have implemented a two factor authentication process for our Virtual Private Network ("VPN") access by staff who work from home.

We cater to an increasingly technology savvy and sophisticated clientele, reliance on technology to service our clients will increase. We recognise that this will increase our risks and exposure to cyber security threats and it is thus important that we strike the correct balance between having a user-friendly and accessible platform and at the same time ensuring that sufficient security checks and controls are in place to protect sensitive information.

To retain the confidence and trust of our clients, it is critical that we have a robust and reliable trading and back-office system as any disruption can cause financial and reputational damage.

To address this, we conduct regular vulnerability assessments of our networks and systems to ensure that vulnerabilities identified are resolved timely. We continue to invest in security and surveillance systems and at the same time enhance our recovery capabilities in the event unlikely emergencies arise.

We regularly benchmark ourselves against the technology risk management guidelines issued by the regulators to ensure that we meet the standards expected.

(v) Governance and Regulatory Compliance

Our corporate governance report is set out in pages 16 to 27 of our annual report which should be read in conjunction with this section.

As a provider of financial services, we recognise the need for the regulators, in the various jurisdictions that we have a presence, to have strict rules and regulations governing how we conduct our business and how we deal with our client orders and their assets in order to ensure that our business is sustainable and the integrity of the financial systems of these countries are not compromised.

Our organisation structure, operating policies and procedures are designed to ensure that appropriate segregation of duties and controls are in place to meet the high standards set by the regulators. Independent audits and compliance checks are conducted on a regular basis to ensure that our systems and procedures adhere to and comply with the regulatory standards and requirements. The audit committees of the various countries review the audit reports of the internal audit departments to ensure remedial measures are taken to address any regulatory and internal control lapses.

As a major financial centre, we appreciate and understand the need of the regulators to combat money laundering and the funding of terrorist activities. We have in place a Anti-Money Laundering Policy and framework. We also co-operate with the authorities in not dealing with potential clients who are in the Sanctions list. We have in place robust and appropriate due diligence and 'Know Your Customer' assessment procedures when accepting new accounts. These assessments are conducted using established data providers who are specialists in this area and through publicly available data.

Monitoring procedures are in place to report suspicious transactions to the relevant authorities and these procedures are constantly enhanced to keep abreast with changes.

We promote transparency and have a whistleblowing policy where investors and staff are encouraged to report any improper, illegal or criminal activities.

(B) Important factors

(i) Community and Social Responsibility

As responsible corporate citizens in countries which we operate, we recognise that we have obligations to the investing public and society at large.

In 2022, we made various donations totaling S$127,500 to a local tertiary institute as well as charities such as Viva Foundation for Children, SMMWU Fund Raising and DPH Charity.

We continually seek to tie up with tertiary institutions to offer internships to their students and sponsor scholarships to deserving students to recognise their scholastic and all-round achievements.

(ii) Environmental Policies and Practices

We are committed to playing an active role in preserving our natural environment, reduce the depletion of our natural resources and the minimisation of our carbon footprint. We constantly remind our employees to reduce paper, power consumption and water usage. Electronic devices, lighting and air-conditioning in the office are turned off after office hours where possible.

Power and Water consumption (Singapore)

	2022	**2021**	**2020**
Electricity consumption (million)	3.343 kWh	3.591 kWh	3.615 kWh
Water consumption (cu M)	10.8	8.0	9.2

We have been committed towards a paper-less environment since the second half of 2016.

(a) Our shareholders

Since 2018, as part of our sustainability efforts, we no longer send CD-roms or hard copy Annual Reports to shareholders as our Annual Reports are available online at the Company's and the SGX websites.

(b) Our clients

As part of our digitalization and go-green journey, all our clients are now on the UTrade platform, where e-statements are enabled for client to view. We have also made e-statements as a default for all clients. This enabled us to reduce significant paper printing and usage.

The Group has gone cheque-free by ceasing to issue Singapore Dollar cheques for corporate actions and sales transactions payments from 1 October 2021.

(c) Our staff

(i) We have ceased to provide printed trade reports to our trading representatives. Efficiency and reduction in carbon footprint waste have been achieved through the migration of such reports to an electronic platform.

(ii) Circulars, announcements and formal communication with colleagues are currently done through the office intranet and emails.

(iii) Staff are constantly reminded to minimise printing of reports and are encouraged to recycle and reuse paper.

(d) Our services

UOB Kay Hian Private Limited acted as underwriter and placement agent for 5E Resources Limited. 5E Resources Limited is a waste management service provider in Malaysia that also sells recovered and recycled products and by-products generated from their scheduled waste treatment processes including recycled chemicals, recycled drum/tank, recycled oil, recycled alkaline and recovered precious metals (only 4% - 7% of revenue).

We continue to seek future opportunities in the ESG related financial advisory services area.

TARGETS FOR FY2023

Clients

As client engagement and education are important factors in our business, we strive to continue to organise seminars, workshops and presentations by fund houses and corporates to keep them abreast of developments in the capital markets and investment opportunities which are relevant to their needs.

Technology Risk

We continuously review and monitor our vulnerability to intruders and hackers and invest in relevant tools to mitigate cybersecurity risks such as the implementation of a two factor authentication process for our VPN access by staff. Cybersecurity awareness online tests and mock exercises continue to be conducted to remind our colleagues to be mindful of the evolving tactics deployed by cyber criminals while emails about cybersecurity are regularly sent to staff.

To ensure business continuity, we will continue to test our operational resilience and incident communication procedures to enhance our preparedness in the event of disruption due to factors beyond our control.

Human Capital

We recognise the contributions of our staff. A Process Improvement competition was organised, to inculcate continuous improvement mindsets, where staff were invited to improve internal work processes that directly impacted our clients' experience, our scalability and enhanced staff work-life balance. Certificates of Commendation and cash prizes were awarded to the winners.

We also share updates about our colleagues such as the birth of a baby or demise of a family member. Staff continue to be encouraged to attend training and upskilling courses in addition to providing funds for staff gatherings and rewarding colleagues for a job well done.

Governance and Regulatory Compliance

This is an on-going process and we shall continue to engage with the regulators on how we can work towards better investor protection and to enhance the reputation of the financial markets in Singapore.

Community and Social Responsibility

We shall continue to seek out opportunities to offer scholarships to students in tertiary education and to engage in community work.

Environmental Policies

Efforts to increase the use of electronic communication with our clients and trading representatives, and reduce the usage of paper are ongoing as we strive to further reduce our carbon footprint.

In addition to increasing energy efficiency and reducing water wastage, in FY2022, the Company rolled out a paperless drive, where all clients will be set by default on electronic statements.

General Standard Disclosures

UOB-Kay Hian Holdings Limited has reported the information cited in this GRI Content Index for period from 1 January 2022 to 31 December 2022 with reference to the GRI standards.

GRI Reference	Disclosure title	Reference:
2-1	Organizational details Legal name	UOB-Kay Hian Holdings Limited
	Nature of ownership and legal form	Public Limited company listed on the Singapore Stock Exchange and regulated by the Monetary Authority of Singapore, the Singapore Exchange Securities Trading Limited and the Accounting and Corporate Regulatory Authority
	Headquarters located at	Singapore
	Countries of operation	Singapore, Hong Kong, Thailand, Malaysia, Indonesia, Philippines, Shanghai, London, New Jersey and Toronto
2-2	Entities included in the organization's sustainability reporting	UOB-Kay Hian Holdings Limited UOB Kay Hian Private Limited UOB Kay Hian Credit Pte. Ltd. UOB Kay Hian Properties Pte. Ltd.
2-3	Reporting period	1 January 2022 to 31 December 2022
	Frequency	Annually
	Contact point	cs@uobkayhian.com
2-5	External assurance	No external assurance
2-6	Activities, value chain and other business relationships	page 3
2-7	Employees	page 28, 30, 31, 33
2-12	Role of the highest governance body in overseeing the management of impacts	page 16, 21, 22, 28
2-13	Delegation of responsibility for managing impacts	page 19, 21, 22, 28
2-17	Collective knowledge of the highest governance body	The Board of directors have attended the SID LED - Environmental, Social and Governance Essentials (Core) FY 2022
2-28	Membership of associations	Member of Singapore Stock Exchange
2-29	Approach to stakeholder engagement	page 25, 26, 28-33
3-2	List of Material Topics	page 29-33
3-3	Management of Material Topics	page 29-33
Business Ethics GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions	page 29-33
Climate Change (Energy & Emissions) GRI 302: Energy	302-1 Energy consumption within the organization 302-4 Reduction of energy consumption	page 32, 34

GRI Reference	Disclosure title	Reference:
Climate Change (Water management) GRI 303: Water and effluents	303-5 Water consumption	page 32
Climate Change (Waste management) GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	page 33
Diversity and equality GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	page 16, 30, 34
Training and development GRI 404: Training and education	404-2 Programs for upgrading employee skills and transition assistance programs	page 30, 34
Community Engagement GRI413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	page 32, 34

Directors of UOB-Kay Hian Holdings Limited

Mr. Wee Ee Chao – holds a Bachelor of Business Administration degree from American University (USA). He joined Kay Hian & Co (Pte) in 1981 as Managing Director and became Chairman of Kay Hian Holdings Limited in 1996. He has been closely involved in the management and growth of UOB Kay Hian over the last 41 years. In August 2000 when UOB-Kay Hian Holdings Limited was incorporated with the merger of Kay Hian Holdings Limited and UOB Securities (Pte) Ltd, Mr. Wee was appointed Chairman of UOB-Kay Hian Holdings Limited.

Besides his stockbroking involvement in UOB Kay Hian, Mr. Wee is also involved in investment and real estate development in the region. He serves on the Board of Haw Par Corporation Ltd and UOL Group Limited as a Non-Executive Director and is also a Director of Kheng Leong Co. Pte. Ltd. and Wee Investment Group. He was appointed Chairman of the Singapore Tourism Board from January 2002 to December 2004. He was also the First Vice-President of the Real Estate Developers' Association of Singapore ("REDAS") from 2005 to 2006 and continued to serve on the committee of REDAS from 2007 to 2010.

Mr. Tang Wee Loke – holds a Bachelor of Business Administration degree. He began his career in Kay Hian & Co (Pte) as an Analyst in 1973 and became a Director in 1977. He was appointed Deputy Managing Director of Kay Hian James Capel Pte Ltd in 1990 and of UOB-Kay Hian Holdings Limited in 2000 following the merger of UOB Securities (Pte) Ltd and Kay Hian Holdings Limited.

He retired from his position as Deputy Managing Director in December 2007 and remained as an Executive Director of UOB-Kay Hian Holdings Limited until 31 December 2011. He was appointed Non-Executive Director from 1 January 2012 and has from 1 January 2015 become an Independent Director. He is Chairman of the Nominating Committee and was appointed a member of the Audit Committee and Remuneration Committee on 1 May 2015.

He was a committee member of the Stock Exchange of Singapore from 1986 to 1999. He served on the SGX board as an Independent Director from December 2002 to September 2007. He was the founder chairman of the Securities Association of Singapore, which represents the interest of securities trading members in Singapore.

Mr. Kuah Boon Wee – was appointed Independent Director of UOB-Kay Hian Holdings Limited, Chairman of Audit Committee and member of Remuneration Committee on 3 May 2016.

Mr. Kuah is the Group Chief Executive Officer of MTQ Corporation, an oil and gas engineering and subsea services company listed on the SGX. Prior to that, he had worked from 2004 to 2010 in PSA International and served as CEO of South East Asia and Singapore Terminals (from 2007 to 2010) and Group Chief Financial Officer (from 2004 to 2007).

He has a Bachelor of Engineering Degree (1st Class Honours) from Imperial College of Science and Technology, London and is also a Fellow of the Institute of Chartered Accountants of England and Wales.

Mr. Kuah serves on the board of The Hour Glass Limited. He is a Council Member of the Singapore National Employers Federation and the Singapore Chinese Chamber of Commerce and Industry.

Mr. Andrew Suckling – holds a Master of Arts (Honours) Degree from Oxford University and is a member of the Institute of Chartered Accountants in England and Wales. He was appointed as an Independent Director of UOB-Kay Hian Holdings Limited on 3 May 2016 and is Chairman of the Remuneration Committee and a member of the Nominating Committee.

Mr. Suckling has more than 31 years of experience in the finance industry, primarily working in investment banking. He is based in Singapore.

Mr. Yeow David – holds a Bachelor of Laws (Honours) degree from the National University of Singapore. He was appointed as an Independent Director of UOB-Kay Hian Holdings Limited and a member of the Audit Committee on 2 January 2020. Mr. Yeow is an Advocate and Solicitor of the Supreme Court of Singapore. He has since retired as a Senior Partner of Rajah & Tann LLP.

Mr. Yeow is currently an Independent Non-Executive Director of Nicheliving Capital Pty Ltd (a private company in Western Australia).

Mr. Leong Kok Mun, Edmund – was appointed a Non-Executive Non-Independent Director of UOB-Kay Hian Holdings Limited and a member of the Audit Committee on 1 June 2021. He was appointed a member of the Nominating Committee on 28 April 2022.

Mr. Leong is the Managing Director, Head of Group Investment Banking of United Overseas Bank Limited ("UOB"). He is responsible for the investment banking business of UOB spanning capital markets, mergers and acquisitions, leveraged finance, project finance and mezzanine capital. He has more than 24 years of investment banking origination and execution experience. Mr. Leong also represents UOB as a Director of UOB Asset Management Ltd and a Non-Executive Director of ICHX Tech Pte. Ltd., which owns ADDX, a full-service capital markets platform with Monetary Authority of Singapore (MAS) licenses for the issuance, custody and secondary trading of digital securities.

Prior to joining UOB in 2015, he led the debt capital markets team at the investment banking arm of an international financial group. He also held senior roles specialising in capital markets at several international banks.

Mr. Leong holds a Master of Philosophy in Management Studies from University of Cambridge and a Bachelor of Science in Accounting (First Class Honours) from University of Wales, Cardiff. He is also a Chartered Financial Analyst charterholder.

Key Management Personnel of the Group

Singapore

Mr. Wilhem Lee (Senior Executive Director) - holds a Bachelor of Business (Accountancy) degree and is a committee member of CPA Australia. He joined UOB Kay Hian Private Limited as part of senior management in 2019. He has over 30 years experience in the securities and investment banking industry spanning South East Asia and North Asia. Prior to joining UOB Kay Hian Private Limited, he held various senior and origination roles in renowned global banks including Head of Coverage - Investment Banking APAC, Head of M&A and Sectors APAC, as well as front line responsibility involving financing, advisory and capital markets.

He currently sits in various committees overseeing regional and structured credit, corporate finance and capital markets, in addition to the Singapore, Hong Kong and Malaysia management committees.

Mr. Lim Seng Bee (Senior Executive Director) – holds a Bachelor of Science degree from the Stern School of Business of New York University. He was appointed Executive Director of UOB Kay Hian Private Limited in June 2005 and Senior Executive Director on 1 January 2013. Mr. Lim is a member of the Group Executive Committee. In addition to being involved in the general management of the Singapore operations, he is also responsible for the management of the regional business in North Asia.

Prior to joining the Group, he had extensive experience in managing the securities business in Hong Kong.

Ms. Oh Whee Mian (Senior Executive Director) – holds a Bachelor of Accountancy (Honors) degree from Nanyang Technology University of Singapore. She joined UOB Kay Hian Private Limited in 2001 and was appointed Executive Director in 2013. Ms. Oh was appointed Senior Executive Director on 1 July 2021 and she is involved in the general management of the Singapore office and overseeing the regional offices. Prior to joining UOB Kay Hian Private Limited, she was working for an established international public accounting firm.

Mr. Kok Heng Loong (Executive Director) – holds a Bachelor of Business Administration degree from the National University of Singapore. He has been in the stockbroking industry since 1989 and joined UOB Kay Hian Private Limited in February 2012 as an Executive Director. He is involved in the general management and development of the retail business for the Group.

Mr. Julian Lee Khee Seong (Executive Director) – holds a Master of Science in Accounting and Finance from the London School of Economics and Political Science, United Kingdom.

Mr. Lee joined UOB Kay Hian Private Limited in 2003 and was appointed as an Executive Director in 2017. He is responsible for the Group's financing services, credit risk management and structured finance transactions.

Prior to joining UOB Kay Hian Private Limited, he was working for a global banking group in Singapore.

Mr. Jarod Ong (Executive Director) - holds a Master of Science in Molecular Engineering from the Singapore M.I.T. (Massachusetts Institute of Technology) Alliance. He joined UOB Kay Hian Private Limited as part of senior management in January 2021. He is involved in general management and is Head of Operations of the Group. Mr. Ong brings with him exchange operations experience and process transformational experience across various industries. Prior to joining UOB Kay Hian Private Limited, he held various leadership roles in renowned global banks and market infrastructure operator.

Mr. Gary Tan Kheng Chye (Executive Director) – holds a Bachelor of Business Administration degree from Royal Melbourne Institute of Technology, Australia. He has been in the stockbroking industry since 1997 and was working for an established local bank backed brokerage before joining UOB Kay Hian Private Limited in February 2013 as an Executive Director. He is involved in general management focusing on overseeing the strategic planning and development of the Group's technology platform and online trading business.

Hong Kong

Mr. Karman Hsu (Chief Executive Officer) – holds a degree in Economics and Commerce from the University of Melbourne, qualified as a Chartered Accountant with KPMG Peat Marwick in Australia and as a CPA with KPMG Peat Marwick in Hong Kong. He joined UOB Kay Hian (Hong Kong) Limited as its Chief Executive Officer in January 2012.

Mr. Hsu has more than 30 years of experience in the securities industry with various established financial institutions. Prior to joining the Group, he was Head of Corporate Finance with Cazenove Asia in 1996 and was made Partner at Cazenove & Co PLC in 2001. He was subsequently appointed as Managing Director of JP Morgan Cazenove and Head of Investment Banking for Asia of Cazenove Asia Limited. His last held position before joining the Group was Managing Director, Head of Equity Corporate Finance at Standard Chartered Bank (HK) Ltd in 2009.

Mr. Raymond Lam (Executive Director - Operations) – holds a Master of Applied Finance degree from Macquarie University Australia, qualified as a CPA under CPA Australia. He joined UOB Kay Hian (Hong Kong) Limited in 2005 and was appointed Executive Director in 2015. He is involved in the general management of the Hong Kong operations. Prior to joining UOB Kay Hian (Hong Kong) Limited, he was working for global banking group in Australia and in Hong Kong.

Malaysia

Mr. David Lim Meng Hoe (Managing Director) – holds a Bachelor of Economics from Monash University and has over 39 years of experience in the stockbroking industry in Malaysia.

He joined UOB Kay Hian Private Limited in 2011 and was appointed Managing Director of the Group's Malaysian operations in 2012.

Thailand

Mr. Chaipat Nakmontanakum (Chief Executive Officer) – holds a Master Degree in Business Administration from University of La Verne, USA. He has more than 25 years of experience in the stockbroking industry in Thailand. He previously worked for Nava Securities, BNP Paribas Securities and DBS Vickers Securities.

Mr. Chaipat joined UOB Kay Hian Securities (Thailand) Public Company Limited as a Managing Director of Retail Sales in 2003 and was subsequently appointed Chief Executive Officer.

He oversees the Group's Thailand operations and is responsible for the strategic development and management of the equities and derivatives business.

Indonesia

Ms. Yacinta Fabiana Tjang (Chief Executive Officer) - holds a Bachelor of Accountancy from Tarumanagara University. She has more than 20 years of experience in the stockbroking industry. She joined UOB Kay Hian Indonesia in 2018 as a Deputy of Chief Operation Officer and was appointed as a Chief Executive Officer in 2020. She is responsible for the implementation of activities for all operations and marketing (retail and institutions).

Prior to joining the Group, she was working with well recognised multinational securities companies (Yuanta Securities, Korean Investment Indonesia) and Public Accountant Firm (Coopers and Lybrand).

The directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 46 to 120 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Wee Ee-chao
Tang Wee Loke
Kuah Boon Wee
Andrew Suckling
Yeow David
Leong Kok Mun, Edmund

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 except as follows:

Name of directors and company in which interests are held	Shareholdings registered in name of directors		Shareholdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
The Company				
(Ordinary shares)				
Wee Ee-chao	–	–	275,371,261	292,581,965
Tang Wee Loke	40,217,504	40,217,504	2,888,494	2,888,025
Andrew Suckling	–	–	26,552	28,212

By virtue of Section 7 of the Companies Act 1967, Mr. Wee Ee-chao is deemed to have an interest in all the related corporations of the Company.

There was no change in any of the above-mentioned directors' interests in the Company between the end of the financial year and 21 January 2023.

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all non-executive directors, is chaired by Mr. Kuah Boon Wee, an independent director, and includes Mr. Tang Wee Loke, an independent director, Mr. Yeow David, an independent director and Mr. Leong Kok Mun, Edmund, an independent director. The Audit Committee has met four times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

(a) the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the audit plans of the external auditors;

(d) the financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;

(e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(f) the co-operation and assistance given by the management to the Group's external auditors; and

(g) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Wee Ee-chao

Tang Wee Loke

Singapore
Date: 31 March 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UOB-Kay Hian Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 120.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matters were addressed in the audit
Trade and other receivables, trade payables and debts issued **(a) Allowance for impairment of trade and other receivables** *Refer to Notes 3(ii)(b), 4(c)(iv)-(v) and 8 to the financial statements respectively.*	
Trade and other receivables, other than those designated as referenced assets in respect of certain debts issued by the Group, comprise customers' portfolio from two key business activities, i.e. stockbroking and money lending. Trade and other receivables arising from money lending activities consist of larger loan financings that are monitored individually by management, and are secured by either marketable or non-marketable assets held by the Group as collaterals. The assessment of allowance for impairment is therefore based on application of judgement on the repayment abilities of the individual borrower, as well as the fair value of the collaterals and other relevant factors.	We have tested the design and implementation of related key controls to determine that appropriate oversight from management and credit committee had been exercised within the credit review and impairment processes. We have performed credit assessment and assessed the specific allowance for individual impaired customers and loans with significant increase in credit risk from credit lending activities, on a sample basis, by critically assessing the realisation of collateral and other possible sources of repayment. We have also involved our internal credit specialists in evaluating the expected credit losses of selected loans to assess if the estimates are appropriate. We have evaluated the consistency of key assumptions applied by management in the valuation of non-marketable collaterals and subjected these collaterals to our testing, including understanding of the relevant industry trends and macroeconomic factors to assess the validity of the collateral valuations.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ho Kok Yong.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

Date: 31 March 2023

31 December 2022

	Note	The Group		The Company	
		31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
		$	$	**$**	$
ASSETS					
Current assets					
Cash and cash equivalents	6	**1,244,057,082**	547,593,513	**518,731**	768,418
Outstanding contracts receivable	7(a)	**713,034,848**	568,138,777	**–**	–
Trade and other receivables	8	**1,739,528,450**	2,499,187,000	**–**	–
Other financial assets, at fair value through profit or loss	9	**280,959,382**	439,106,086	**–**	–
Other current assets	10	**53,324,620**	67,262,137	**378,981,560**	234,797,951
Derivative financial instruments	11	**30,428,960**	48,441,087	**–**	–
Total current assets		**4,061,333,342**	4,169,728,600	**379,500,291**	235,566,369
Non-current assets					
Trade and other receivables	8	**210,941,837**	299,318,853	**201,354**	202,733
Other financial assets, at fair value through profit or loss	9	**1,133,080**	1,512,786	**–**	–
Goodwill	12	**12,149,300**	13,338,889	**–**	–
Other intangible assets	13	**–**	–	**–**	–
Subsidiaries	14	**–**	–	**363,860,486**	363,860,486
Right-of-use assets	15	**20,037,428**	10,970,498	**–**	–
Trading rights in Exchanges	16(a)	**91,082**	94,859	**–**	–
Memberships in Exchanges	16(b)	**207,783**	217,583	**–**	–
Property, plant and equipment	17	**15,444,149**	24,472,127	**–**	–
Deferred tax assets	18	**1,675,633**	1,511,575	**–**	–
Total non-current assets		**261,680,292**	351,437,170	**364,061,840**	364,063,219
Total assets		**4,323,013,634**	4,521,165,770	**743,562,131**	599,629,588
LIABILITIES					
Current liabilities					
Outstanding contracts payable	7(b)	**669,571,869**	553,407,517	**–**	–
Trade and other payables	19	**378,732,985**	652,660,977	**56,340,340**	53,471,632
Borrowings	20	**1,143,179,081**	1,191,034,009	**136,492,650**	4,454,650
Lease liabilities	21	**5,045,341**	5,432,687	**–**	–
Debts issued	22	**238,955,872**	260,579,438	**–**	–
Income tax payable		**17,551,324**	17,154,658	**702,041**	114,598
Derivative financial instruments	11	**30,432,449**	48,460,173	**–**	–
Total current liabilities		**2,483,468,921**	2,728,729,459	**193,535,031**	58,040,880
Non-current liabilities					
Trade and other payables	19	**21,618,000**	21,856,973	**–**	–
Lease liabilities	21	**15,960,571**	5,843,554	**–**	–
Deferred tax liabilities	18	**1,869,221**	2,201,299	**–**	–
Total non-current liabilities		**39,447,792**	29,901,826	**–**	–
Total liabilities		**2,522,916,713**	2,758,631,285	**193,535,031**	58,040,880

See accompanying notes to financial statements.

	Note	The Group		The Company	
		31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
		$	$	**$**	$
EQUITY					
Capital, reserves and non-controlling interests					
Share capital	23	**288,618,569**	257,414,898	**288,618,569**	257,414,898
Reserves	24	**(50,261,050)**	(30,857,887)	**–**	–
Retained earnings		**1,541,946,965**	1,515,982,799	**261,408,531**	284,173,810
Equity attributable to owners of the Company		**1,780,304,484**	1,742,539,810	**550,027,100**	541,588,708
Non-controlling interests		**19,792,437**	19,994,675	**–**	–
Total equity		**1,800,096,921**	1,762,534,485	**550,027,100**	541,588,708
Total liabilities and equity		**4,323,013,634**	4,521,165,770	**743,562,131**	599,629,588
Clients' trust/segregated accounts					
Bank balances:					
- with related parties		**2,447,008,779**	2,306,631,307	**–**	–
- with non-related banks		**2,294,900,293**	2,460,260,086	**–**	–
Margin with clearing house		**140,427,448**	84,144,590	**–**	–
Investment in government debt securities		**5,702,341**	64,871,160	**–**	–
Less: Amounts held in trust		**(4,888,038,861)**	(4,915,907,143)	**–**	–
		–	–	**–**	–

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2022

	Note	The Group 2022 $	The Group 2021 $
Revenue	25	**495,713,813**	627,027,714
Net foreign exchange gain		**7,822,333**	17,137,739
Commission expense		**(81,106,889)**	(128,007,860)
Staff costs	26	**(147,038,413)**	(189,798,255)
Finance expense	27	**(39,419,980)**	(37,420,836)
Other operating expenses	28	**(114,591,158)**	(115,348,589)
Profit before income tax		**121,379,706**	173,589,913
Income tax expense	29	**(18,458,332)**	(19,756,701)
Profit for the year		**102,921,374**	153,833,212
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit plans	30,37	**103,870**	111,803
Income tax relating to items that will not be reclassified subsequently to profit or loss	29	**(22,851)**	(24,606)
		81,019	87,197
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	30	**(20,253,858)**	(7,105,063)
Other comprehensive income for the year, net of tax	30	**(20,172,839)**	(7,017,866)
Total comprehensive income for the year		**82,748,535**	146,815,346
Profit attributable to:			
Owners of the Company		**101,879,105**	151,881,004
Non-controlling interests		**1,042,269**	1,952,208
		102,921,374	153,833,212
Total comprehensive income attributable to:			
Owners of the Company		**82,543,499**	146,547,127
Non-controlling interests		**205,036**	268,219
		82,748,535	146,815,346
Earnings per share:			
Basic and diluted	31	**11.63 cents**	17.85 cents

See accompanying notes to financial statements.

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The Group	Note	Share capital $	Equity reserve [Note 24(c)] $	Foreign currency translation reserves [Note 24(a)] $
Balance as at 1 January 2021		217,887,018	1,824,847	(29,466,893)
Total comprehensive income for the year:				
Profit for the year		–	–	–
Other comprehensive (loss) income for the year		–	–	(5,257,760)
Total		–	–	(5,257,760)
Transactions with owners, recognised directly in equity:				
Final dividend for 2020 paid	32	39,527,880	–	–
Acquisition of additional interest in a subsidiary		–	142,740	–
Payment of dividend by a subsidiary		–	–	–
Balance as at 31 December 2021		257,414,898	1,967,587	(34,724,653)
Total comprehensive income for the year:				
Profit for the year		**–**	**–**	**–**
Other comprehensive (loss) income for the year		**–**	**–**	**(19,332,308)**
Total		**–**	**–**	**(19,332,308)**
Transactions with owners, recognised directly in equity:				
Share buyback	23	**(3,446,085)**	**–**	**–**
Final dividend for 2021 paid	32	**34,649,756**	**–**	**–**
Transfer to statutory reserve		**–**	**–**	**–**
Payment of dividend by a subsidiary		**–**	**–**	**–**
Balance as at 31 December 2022		**288,618,569**	**1,967,587**	**(54,056,961)**

See accompanying notes to financial statements.

Statutory reserve [Note 24(b)] $	Retained earnings $	Equity attributable to owners of the Company $	Non- controlling interests $	Total $
2,058,391	1,443,530,620	1,635,833,983	20,252,561	1,656,086,544
–	151,881,004	151,881,004	1,952,208	153,833,212
(162,442)	86,325	(5,333,877)	(1,683,989)	(7,017,866)
(162,442)	151,967,329	146,547,127	268,219	146,815,346
–	(79,515,150)	(39,987,270)	–	(39,987,270)
3,230	–	145,970	(271,559)	(125,589)
–	–	–	(254,546)	(254,546)
1,899,179	1,515,982,799	1,742,539,810	19,994,675	1,762,534,485
–	**101,879,105**	**101,879,105**	**1,042,269**	**102,921,374**
(83,507)	**80,209**	**(19,335,606)**	**(837,233)**	**(20,172,839)**
(83,507)	**101,959,314**	**82,543,499**	**205,036**	**82,748,535**
–	**–**	**(3,446,085)**	**–**	**(3,446,085)**
–	**(75,982,496)**	**(41,332,740)**	**–**	**(41,332,740)**
12,652	**(12,652)**	**–**	**–**	**–**
–	**–**	**–**	**(407,274)**	**(407,274)**
1,828,324	**1,541,946,965**	**1,780,304,484**	**19,792,437**	**1,800,096,921**

See accompanying notes to financial statements.

The Company	**Note**	**Share capital** $	**Retained earnings** $	**Total** $
Balance as at 1 January 2021		217,887,018	261,492,922	479,379,940
Profit for the year, representing total comprehensive income for the year		–	102,196,038	102,196,038
Transactions with owners, recognised directly in equity:				
Final dividend for 2020 paid	32	39,527,880	(79,515,150)	(39,987,270)
Balance as at 31 December 2021		257,414,898	284,173,810	541,588,708
Profit for the year, representing total comprehensive income for the year		**–**	**53,217,217**	**53,217,217**
Transactions with owners, recognised directly in equity:				
Share buyback	23	**(3,446,085)**	**–**	**(3,446,085)**
Final dividend for 2021 paid	32	**34,649,756**	**(75,982,496)**	**(41,332,740)**
Balance as at 31 December 2022		**288,618,569**	**261,408,531**	**550,027,100**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2022

	Note	**2022**	2021
		$	$
Operating activities			
Profit before income tax		**121,379,706**	173,589,913
Adjustments for:			
Depreciation of property, plant and equipment	17	**11,194,771**	12,070,580
Depreciation of right-of-use assets	15	**6,245,476**	6,125,606
Amortisation of other intangible assets	13	**–**	895,224
Net (gain) loss on disposal/write off of property, plant and equipment		**(55,544)**	38,634
Impairment of goodwill	12	**618,708**	240,967
Dividend income		**(692,480)**	(2,361,736)
Allowance for trade and other receivables		**13,142,507**	19,150,270
Interest expense	27	**39,419,980**	37,420,836
Exchange differences		**(271,591)**	2,009,657
Operating cash flows before movements in working capital		**190,981,533**	249,179,951
Changes in operating assets and liabilities:			
Other financial assets, at fair value through profit or loss		**155,817,490**	(319,600,092)
Trade, outstanding contracts and other receivables		**709,609,914**	442,439,023
Trade, outstanding contracts and other payables		**(178,958,157)**	(187,104,238)
Debts issued		**(21,993,072)**	(53,777,303)
Cash from operations		**855,457,708**	131,137,341
Interest paid		**(38,543,463)**	(36,955,224)
Income tax paid		**(18,556,817)**	(25,348,276)
Net cash from operating activities		**798,357,428**	68,833,841
Investing activities			
Payments for property, plant and equipment	17	**(2,659,780)**	(5,103,586)
Proceeds from disposal of property, plant and equipment		**78,677**	57,971
Dividends received from quoted/unquoted securities		**692,480**	2,361,736
Net cash used in investing activities		**(1,888,623)**	(2,683,879)
Financing activities			
Payment to non-controlling interests for additional interest in a subsidiary	14	**–**	(125,589)
Payment to non-controlling interests for dividend		**(407,274)**	(254,546)
Repayment of lease liabilities	20	**(7,235,800)**	(6,760,044)
Net (repayment) drawdown of short-term bank loans	20	**(49,540,655)**	18,304,114
Dividends paid	32	**(41,332,740)**	(39,987,270)
Purchase of treasury shares	23	**(3,446,085)**	–
Net cash used in financing activities		**(101,962,554)**	(28,823,335)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		**271,591**	(2,009,657)
Net increase in cash and cash equivalents		**694,777,842**	35,316,970
Cash and cash equivalents at beginning of the year		**538,424,299**	503,107,329
Cash and cash equivalents at end of the year	6	**1,233,202,141**	538,424,299

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200004464C) 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.

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, which are disclosed in Note 36 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 31 March 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (“SFRS(I)s”).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, 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.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable SFRS(I) Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in Note 25 to the financial statements.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in Note 28 to the financial statements. Fair value is determined in the manner described in Note 4(c)(vii).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. These are recognised in the consolidated statement of profit or loss and other comprehensive income in the "Net foreign exchange gain" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade and other receivables and contract assets, as well as on financial guarantee contracts and loan commitments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade and other receivables, the expected credit losses ("ECL") are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ("12m") ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts and loan commitments, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract. For loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts and loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with SFRS(I) 16 *Leases*.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

The principal category of financial liabilities designated as at FVTPL is the credit-linked notes issued by the Group. These credit-linked notes are designated as at fair value through profit or loss to better reflect the underlying intention of the Group to manage and evaluate its performance on a fair value basis.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in Note 4(c)(vii).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to meet principal or interest payments when due in accordance with the terms of their borrowings.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "Net foreign exchange gain" line item in the consolidated statement of profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 11 to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of SFRS(I) 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

LEASES

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	Over the terms of lease from 5% to 6 ⅔%
Leasehold land	Over the terms of lease of 6 ⅔%
Leasehold improvements	16 to 33 ⅓%
Furniture, fittings and office equipment	20 to 33 ⅓%
Computer equipment and software	20 to 33 ⅓%
Communication equipment	20 to 33 ⅓%
Motor vehicles	18 to 33 ⅓%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

GOODWILL - Goodwill is initially recognised and measured as set out in the business combinations accounting policy.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro-rata* on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSETS

Intangible assets acquired separately

Customer portfolio database acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Customer portfolio database have a definite useful lives and are amortised on a straight-line basis over their estimated useful lives of 2 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

MEMBERSHIPS IN EXCHANGES - Memberships in The Stock Exchange of Thailand and Jakarta Stock Exchange are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the memberships are assessed and written down immediately to its recoverable amount.

TRADING RIGHTS IN EXCHANGES - Trading rights in The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange and the Philippine Stock Exchange are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the trading rights is assessed and written down immediately to its recoverable amount.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

SECURITIES BORROWED AND LENT - Securities borrowed and lent are accounted for as collateralised borrowings. The amounts of cash collaterals advanced for securities borrowed and cash collaterals received for securities lent are recorded in the statement of financial position under "Other current assets - Amounts deposited with lenders of securities" and "Trade and other payables - Cash collaterals held for securities lent to clients" respectively.

Market value of securities is determined by reference to the quoted prices of the respective Stock Exchanges at the close of business at the end of the reporting period.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is not material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

TREASURY SHARES - Ordinary shares of the Company reacquired are accounted for as treasury shares. Consideration paid, including directly attributable costs, is presented as a deduction from equity. Subsequent cancellation, sale or reissuance of treasury shares is recognised as changes in equity.

REVENUE RECOGNITION - Revenue is measured based on the consideration to which the Group expected to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is reduced for goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

Revenue from contracts with customers - at a point in time

Commission income

Commission income is recognised as earned on the date the contracts are entered into.

Fee income

Fee income from custodian, management, shares withdrawal and arrangement fees are recognised during the year in which the services are rendered.

Revenue from contracts with customers - over time

Advisory fees

Advisory fees are recognised over time, based on the various performance obligations stated in the individual contracts.

Other income

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Trading income

Trading income relates mainly to proprietary trading entered into by the Group and is recognised on a mark-to-market or realisation basis.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

Curtailment gains and losses are accounted for as past service costs.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign currency translation reserve in respect of that operation attributable to the owners of the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

SEGMENT REPORTING - An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is internally provided to the Managing Director ("MD") and the Board of Directors ("BOD"), who are the Group's chief operating decision makers. All operating segments' operating results are reviewed regularly by the Group's MD and BOD to make decision about resources to be allocated to the segment and assess its performance.

CASH AND CASH EQUIVALENTS - In the statements of financial position, cash and bank balances comprise cash (i.e. cash in hand, and on-demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statements of financial position.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, which are described in Note 2, management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

(i) ***Critical judgements in applying the Group's accounting policies***

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.

(ii) ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key 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 year, are discussed 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. Details of income taxes are provided in Notes 18 and 29 to the financial statements. The income tax expense for the year ended 31 December 2022 is $18,458,332 (31 December 2021 : $19,756,701). Deferred tax assets and deferred tax liabilities as at 31 December 2022 amounted to $1,675,633 (31 December 2021 : $1,511,575) and $1,869,221 (31 December 2021 : $2,201,299) respectively. Income tax payable as at 31 December 2022 is $17,551,324 (31 December 2021 : $17,154,658).

(b) Impairment of trade and other receivables

Management reviews its trade and other receivables for ECL at least quarterly. 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.

As at 31 December 2022, the carrying amount of trade and other receivables is $1,950,470,287 (31 December 2021 : $2,798,505,853) net of allowance for impairment of $32,596,221 (31 December 2021 : $20,304,145).

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. The carrying amount of goodwill at the end of the reporting period was $12,149,300 (31 December 2021 : $13,338,889) after an impairment loss of $618,708 (31 December 2021 : $240,967) was recognised during the year. Details of the impairment loss calculation are provided in Note 12 to the financial statements.

(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 4 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Note	The Group $	The Company $
At 31 December 2022			
Financial assets			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	**9**	**282,092,462**	**–**
Designated as at FVTPL	**8**	**217,307,216**	**–**
At amortised cost (including cash and cash equivalents)		**3,740,352,546**	**379,697,145**
Derivative financial instruments	**11**	**30,428,960**	**–**
Financial liabilities			
At FVTPL:			
Designated as at FVTPL	**19, 22**	**219,418,188**	**–**
At amortised cost		**2,232,639,619**	**192,832,990**
Lease liabilities [(i)]	**21**	**21,005,912**	**–**
Derivative financial instruments	**11**	**30,432,449**	**–**
At 31 December 2021			
Financial assets			
At fair value through profit or loss (FVTPL):			
Mandatorily measured at FVTPL	9	440,618,872	–
Designated as at FVTPL	8	267,954,268	–
At amortised cost (including cash and cash equivalents)		3,709,935,766	235,764,602
Derivative financial instruments	11	48,441,087	–
Financial liabilities			
At FVTPL:			
Designated as at FVTPL	19, 22	270,378,896	–
At amortised cost		2,409,160,018	57,926,282
Lease liabilities [(i)]	21	11,276,241	–
Derivative financial instruments	11	48,460,173	–

(i) Lease liabilities are financial instruments, although they are outside the scope of certain parts of SFRS(I) 7/SFRS(I) 9. Lease liabilities are within scope for SFRS(I) 7 disclosure (except for disclosure of fair value) and within the scope of SFRS(I) 9 de-recognition.

(i) Trade and other receivables designated as at FVTPL

At the end of the reporting period, there are no significant concentrations of credit risk for trade and other receivables designated as at FVTPL.

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such trade and other receivables.

As at 31 December 2022, the change in fair value attributable to changes in credit risk amounted to a negative of $5,306,029 (31 December 2021 : a positive of $22,819,731).

(ii) Credit derivatives over trade and other receivables at fair value

There are no credit derivatives over trade and other receivables designated as at fair value.

(iii) Financial liabilities designated as at FVTPL

As at 31 December 2022, the change in fair value attributable to changes in credit risk amounted to a negative of $5,306,029 (31 December 2021 : a positive of $22,819,731).

The carrying amounts of financial liabilities designated as at FVTPL approximate their maturity amounts.

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements that are in scope of the offsetting disclosure.

The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The Group's activities undertaken by its subsidiaries in each country of operations expose it to a range of financial risks. These include market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group has a system of controls in place to manage these risks to an acceptable level without stifling its business. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses financial instruments such as foreign currency borrowings, foreign exchange contracts and interest rate swaps to manage certain risk exposures.

Financial risk management of the Group is carried out by the Credit Committee and finance department of the Company and its respective subsidiaries. The Credit Committee approves the financial risk management policies of the Company and its subsidiaries. Management will review and approve inputs used in the valuation of these financial instruments carried at fair value. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures and these are reported to the Credit Committee.

There has been no change to the Group's exposure to these financial risks or the manner in which the Group manages and measures the risk. Market risks exposures are measured using sensitivity analysis indicated below.

(i) *Foreign exchange risk management*

Exposures to foreign currencies are monitored closely to ensure that there are no significant adverse financial effects to the Group from changes in the exchange rates. The Group manages significant net exposures in each of the foreign currencies through foreign currency borrowings and foreign exchange contracts.

The Group as a policy hedges all trade receivables and trade payables denominated in foreign currencies although it may from time to time have some short term exposures due to timing differences. The Group enters into forward foreign exchange contracts and foreign currencies borrowings to hedge its foreign currency risk.

The Group's exposure to foreign exchange risks arises from:

- dealing in securities denominated in foreign currencies;
- having assets and liabilities denominated in non-functional currencies;
- holding non-local currencies (primarily in United States dollar, Hong Kong dollar, Malaysian ringgit and Thai baht) for working capital purposes; and
- investments in foreign subsidiaries primarily in Hong Kong dollar, Malaysian ringgit and Thai baht, whose net assets are exposed to foreign exchange risk at the end of the reporting period.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Singapore dollar $	United States dollar $	Hong Kong dollar $	Malaysian ringgit $	Thai baht $	Others* $
At 31 December 2022						
Non-derivative financial assets						
Cash and cash equivalents	5,673,876	366,396,715	497,359,013	864,822	63,565,251	148,943,193
Outstanding contracts receivable	354,855	291,838,701	144,946,085	44,817,886	130,485,418	31,950,599
Trade and other receivables	348,668	724,351,272	522,311,932	117,484,447	76,733,551	140,128,291
Other financial assets, at fair value through profit or loss	–	93,328,121	15,100,653	27,487,723	56,534,538	9,458,668
Other current assets	23,968	10,039,512	12,770,440	6,710,107	6,864,257	1,744,456
	6,401,367	1,485,954,321	1,192,488,123	197,364,985	334,183,015	332,225,207
At 31 December 2022						
Non-derivative financial liabilities						
Outstanding contracts payable	410,487	292,208,998	139,947,763	29,436,811	125,544,921	33,896,528
Trade and other payables	38,355	135,995,150	22,241,577	21,042,609	37,174,582	62,965,180
Borrowings	–	611,629,476	487,321,694	6,112,000	–	28,775,455
Debts issued	–	141,865,319	26,941,475	–	–	70,149,078
	448,842	1,181,698,943	676,452,509	56,591,420	162,719,503	195,786,241
Net financial assets	5,952,525	304,255,378	516,035,614	140,773,565	171,463,512	136,438,966
Less: Net financial assets denominated in the respective entities' functional currencies	–	(1,174,085)	(506,546,747)	(145,011,373)	(143,777,720)	(34,554,746)
Intercompany balances	–	(163,854)	(739,855)	57,580,203	1,668,107	(9,293,292)
Currency forwards	–	(1,972,861)	(1,390,212)	–	–	796,957
Foreign currencies trust balances	–	(90,892,456)	(4,164,799)	(4,002,662)	(28,355,194)	(183,998,609)
Currency exposures	5,952,525	210,052,122	3,194,001	49,339,733	998,705	(90,610,724)

* The Group's exposures to other currencies include exposures to Indonesian Rupiah, Australian Dollar, Sterling Pound and others.

	Singapore dollar $	United States dollar $	Hong Kong dollar $	Malaysian ringgit $	Thai baht $	Others* $
At 31 December 2021						
Non-derivative financial assets						
Cash and cash equivalents	7,900,662	75,757,370	35,686,287	51,230,433	102,517,148	196,059,116
Outstanding contracts receivable	2,546	73,629,321	251,962,849	37,647,033	105,130,440	43,310,366
Trade and other receivables	1,448,921	1,134,627,436	894,033,169	71,534,061	76,079,162	217,308,350
Other financial assets, at fair value through profit or loss	–	156,535,730	–	22,428,516	44,522,836	90,117,047
Other current assets	159,346	9,209,097	25,907,314	7,586,855	6,820,059	3,933,057
	9,511,475	1,449,758,954	1,207,589,619	190,426,898	335,069,645	550,727,936
At 31 December 2021						
Non-derivative financial liabilities						
Outstanding contracts payable	553,764	74,468,841	227,491,109	34,002,606	101,241,109	44,006,660
Trade and other payables	40,027	241,591,647	18,012,094	32,124,422	66,821,598	106,100,535
Borrowings	1,998,912	726,017,951	399,055,026	6,472,900	–	35,590,113
Debts issued	–	183,942,017	–	–	–	76,637,421
	2,592,703	1,226,020,456	644,558,229	72,599,928	168,062,707	262,334,729
Net financial assets	6,918,772	223,738,498	563,031,390	117,826,970	167,006,938	288,393,207
Less: Net financial assets denominated in the respective entities' functional currencies	–	(1,211,331)	(462,338,488)	(144,206,295)	(147,378,247)	(36,603,544)
Intercompany balances	–	(189,378)	(24,970,951)	51,524,647	(1,232,321)	(16,519,657)
Currency forwards	6,996	3,253,666	(5,343,527)	(11,327,575)	417,866	(13,651,817)
Foreign currencies trust balances	–	(86,772,165)	(70,756,558)	(1,484,693)	(18,850,373)	(225,643,514)
Currency exposures	6,925,768	138,819,290	(378,134)	12,333,054	(36,137)	(4,025,325)

* The Group's exposures to other currencies include exposures to Indonesian Rupiah, Australian Dollar, Sterling Pound and others.

Foreign currencies trust balances are monies held on behalf of clients and they do not form a part of the statement of financial position of the Group.

The Company's exposures to foreign currency are as follows:

	Malaysian ringgit $	United States dollar $
At 31 December 2022		
Financial assets		
Cash and cash equivalents, representing net currency exposure	**1,289**	**285,049**
At 31 December 2021		
Financial assets		
Cash and cash equivalents, representing net currency exposure	1,381	325,183

Foreign currency sensitivity

A 5% strengthening of the relevant foreign currencies against the functional currency of each Group entity at the end of the reporting period would increase (decrease) profit after tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	31 December 2022 Profit after tax **$**	31 December 2021 Profit after tax $
The Group		
Singapore dollar	**247,030**	287,419
United States dollar	**8,717,163**	5,761,001
Hong Kong dollar	**132,551**	(15,693)
Malaysian ringgit	**2,047,599**	511,822
Thai baht	**41,446**	(1,500)
The Company		
United States dollar	**11,829**	13,495
Malaysian ringgit	**53**	57

A 5% weakening of the relevant foreign currencies against the functional currency of each Group entity would have had the equal but opposite effect on profit after tax to the amounts shown above, on the basis that all other variables remain constant.

In determining the percentage of the currencies fluctuation, the Group has considered the economic environment in which it operates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. Trading activity in foreign currency denominated securities is subject to fluctuations that are cyclical in nature, resulting in uneven foreign currency exposure over the year.

(ii) *Equity price risk management*

The Group is exposed to market risk because of fluctuation in prices in the equity markets of Singapore, Taiwan, Hong Kong, Philippines, Malaysia, Indonesia, Thailand and others. Its exposure arises from:

- any equity positions that its subsidiaries may have taken that offer the Group the opportunity for return through dividend income and fair value gains, but not including quoted equity securities that are held by the Group for the purpose of hedging clients' open positions;
- falling value of collateral to support financing its subsidiaries provide to their clients; and
- inability of its subsidiaries' clients to pay for the losses which may arise from the force-selling of clients' positions.

The Group has adequate policies and control procedures in place to ensure that its exposure are within the Group's policies and there are sufficient collateral to cover clients' exposures. The Group will only have exposures to securities which are liquid and readily convertible to cash.

The Group has exposure across all major markets. If listed security prices increase by 5% in the Singapore market and other exchanges, the impact on profit after tax, with all other variables including tax rate being held constant will be:

	31 December 2022 Profit after tax	31 December 2021 Profit after tax
	$	$
The Group		
Listed in Singapore	2,929,419	9,884,050
Listed on other exchanges	5,889,912	1,746,266

In determining the percentage of the market fluctuation, the Group has considered the economic environments in which it operates.

A 5% decrease in listed security prices would have had the equal but opposite effect on profit after tax and equity to the amounts shown above, on the basis that all other variables remain constant.

(iii) *Cash flow and fair value interest rate risk management*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest income and interest expense are exposed to changes in market interest rates. Interest rate risk arises from financial assets such as receivables from share financing, overdue trade and other receivables, short-term deposits with banks and interest on borrowings from banks. The Group's bank deposits and borrowings are generally short-term. The interest expenses for short-term borrowings are at market rates which are generally fixed at the inception of the borrowings. Interest income from share financing and on overdue trade debts are generally pegged to the respective currencies' prime rates.

To manage the impact of IBOR reform on the Group, management is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates.

The following table summarises the significant IBOR-related exposures of the Group as of 31 December 2022:

Financial Instrument	Maturing in	Notional ($)	Transition
Trade and other receivables	February 2023 to May 2024	109,623,558	Fallback clauses have been incorporated
Trade and other receivables – Structured loan receivables	August 2035 to February 2039	11,437,323	In discussion for the fallback clauses
Debts issued	August 2035 to February 2039	11,437,323	In discussion for the fallback clauses

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit for the year ended 31 December 2022 would increase/decrease by $5,268,303 (31 December 2021 : $8,255,625).

The tables below set out the Group and the Company's exposure to interest rate risks. Included in the tables are assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable rates less than 6 months	Variable rates more than 6 months	Fixed rates less than 6 months	Fixed rates more than 6 months	Non-interest bearing	Total
	$	$	$	$	$	$
The Group						
At 31 December 2022						
Financial assets						
Cash and cash equivalents	**506,725,226**	**–**	**257,791,179**	**289,476**	**479,251,201**	**1,244,057,082**
Trade and other receivables	**30,151,445**	**90,909,436**	**1,397,225,431**	**369,337,893**	**62,846,082**	**1,950,470,287**
Other financial assets	**–**	**–**	**109,615,490**	**25,843,385**	**940,194,940**	**1,075,653,815**
Total financial assets	**536,876,671**	**90,909,436**	**1,764,632,100**	**395,470,754**	**1,482,292,223**	**4,270,181,184**
Financial liabilities						
Borrowings	**1,143,179,081**	**–**	**–**	**–**	**–**	**1,143,179,081**
Debts issued	**–**	**11,437,323**	**41,424,814**	**186,093,735**	**–**	**238,955,872**
Lease liabilities	**–**	**–**	**2,522,670**	**18,483,242**	**–**	**21,005,912**
Other financial liabilities	**–**	**–**	**20,002,632**	**21,391,884**	**1,058,960,787**	**1,100,355,303**
Total financial liabilities	**1,143,179,081**	**11,437,323**	**63,950,116**	**225,968,861**	**1,058,960,787**	**2,503,496,168**
At 31 December 2021						
Financial assets						
Cash and cash equivalents	365,471,539	–	3,003,135	–	179,118,839	547,593,513
Trade and other receivables	–	–	2,271,779,156	465,577,830	61,148,867	2,798,505,853
Other financial assets	–	–	35,556,176	–	1,085,294,451	1,120,850,627
Total financial assets	365,471,539	–	2,310,338,467	465,577,830	1,325,562,157	4,466,949,993
Financial liabilities						
Borrowings	1,191,034,009	–	–	–	–	1,191,034,009
Debts issued	–	–	94,327,756	166,251,682	–	260,579,438
Lease liabilities	–	–	2,716,344	8,559,897	–	11,276,241
Other financial liabilities	–	–	33,287,197	22,463,857	1,220,634,586	1,276,385,640
Total financial liabilities	1,191,034,009	–	130,331,297	197,275,436	1,220,634,586	2,739,275,328

	Variable rates less than 6 months	Fixed rates less than 6 months	Fixed rates more than 6 months	Non-interest bearing	Total
	$	$	$	$	$
The Company					
At 31 December 2022					
Assets					
Cash and cash equivalents	**–**	**–**	**–**	**518,731**	**518,731**
Other financial assets	**–**	**–**	**201,354**	**378,977,060**	**379,178,414**
Total financial assets	**–**	**–**	**201,354**	**379,495,791**	**379,697,145**
Total financial liabilities	**–**	**136,492,650**	**–**	**56,340,340**	**192,832,990**
At 31 December 2021					
Assets					
Cash and cash equivalents	325,183	–	–	443,235	768,418
Other financial assets	–	–	202,733	234,793,451	234,996,184
Total financial assets	325,183	–	202,733	235,236,686	235,764,602
Total financial liabilities	–	4,454,650	–	53,471,632	57,926,282

(iv) *Overview of the Group's exposure to credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2022, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise credit risk, the Group has tasked its credit management committee to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The following table contains an analysis of the Group's credit risk exposure of recognised and unrecognised financial instruments, subject to ECL, based on the following internal credit rating grades:

Category	Description
Investment grade	AAA-BBB
Non-investment grade	BB-CCC
Default	D

Internal credit rating derived using methodologies are generally consistent with those used by external agencies.

The tables below detail the credit quality of the Group's financial assets and other items:

Group	**Note**	**External credit rating**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
31 December 2022							
Cash and cash equivalents	6	**A1-aa2**	**Investment grade**	**12m ECL**	**1,244,057,082**	**–**	**1,244,057,082**
Outstanding contracts receivable	7(a)	**n.a.**	**(i)**	**(i)**	**713,034,848**	**–**	**713,034,848**
Trade and other receivables	8	**n.a.**	**(ii)**	**(ii)**	**1,765,759,292**	**(32,596,221)**	**1,733,163,071**
Other current assets	10	**n.a.**	**Investment grade**	**12m ECL**	**50,097,545**	**–**	**50,097,545**
						(32,596,221)	
31 December 2021							
Cash and cash equivalents	6	A1-aa2	Investment grade	12m ECL	547,593,513	–	547,593,513
Outstanding contracts receivable	7(a)	n.a.	(i)	(i)	568,138,777	–	568,138,777
Trade and other receivables	8	n.a.	(ii)	(ii)	2,550,855,730	(20,304,145)	2,530,551,585
Other current assets	10	n.a.	Investment grade	12m ECL	63,651,891	–	63,651,891
						(20,304,145)	

(i) For outstanding contracts receivable, practical expedients have been employed to calculate the ECLs, where applicable. ECLs have been estimated to be immaterial, reflecting the short term nature of the portfolio and the benefit of collateral or other credit enhancements.

(ii) For trade and other receivables, the Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. The Group may also determine that certain loan receivables included within trade and other receivables require separate assessment. In these cases, the Group applies expert credit judgment in assessing whether significant increase in credit risk has occurred and in the determination of loss rates.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

(v) *Credit risk management*

The Group has policies and controls in place to limit its exposure to single clients and single securities. These will also reduce its concentration risks. Some of the Company's subsidiaries have to comply with the rules of Singapore Exchange Securities Trading Ltd ("SGX-ST") and other Exchange rules to ensure that these subsidiaries conduct their businesses prudently.

The Credit Department monitors the Group's exposure to ensure compliance with the guidelines set by the Credit Committee. Trading limits are set for each client and each trading representative. In addition, limits are also set for each counter. The trading limits and outstanding trade positions are monitored daily and follow-up actions are taken promptly. The Credit Committee also meets regularly to review clients' and trading representatives' limits and trade positions.

The maximum amount the Company could be forced to settle under the financial guarantee contract in Note 34(b), if the full guaranteed amount is claimed by the counterparty to the guarantee is $728,549,636 (31 December 2021 : $857,712,043). Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses [Note 34(b)].

The Group employs a range of policies and practices to mitigate credit risk, the most common being the acceptance of collateral for trade receivables. The collateral held are predominantly quoted securities. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation. There has been no change in the collateral policy of the Group during the year.

During the financial year, the value of marketable and non-marketable collaterals held as security for trade receivables are as follows:

	31 December 2022	**31 December 2021**
	$	**$**
Quoted securities	**24,528,766,474**	27,434,702,148
Cash	**963,181**	399,478
Others	**481,609,263**	464,389,461
	25,011,338,918	27,899,491,087

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Certain loan receivables have been designated as the referenced assets for certain debts issued by the Group. The credit-linked clauses in the debts issued allow the Group to deliver the underlying referenced assets to the noteholders as full and final settlement upon the occurrence of a credit event (Note 22).

The carrying amount of financial assets recorded in the financial statements, less collateral held as security for trade receivables, represents the Group's net exposure to credit risk.

The Group establishes an allowance for impairment that represents its estimate of receivables from clients which may not be recoverable. The allowance is determined after taking into consideration the collaterals and trading representatives' ability to make payment for their clients' debts.

The allowance account in respect of outstanding contracts receivable, trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with reputable banks and financial institutions. Consequently, management does not expect any of these institutions to fail to meet its obligations.

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The table below is an analysis of trade and other receivables measured at amortised cost as at the end of the respective reporting periods:

As at 31 December 2022

	The Group			
	Not past due	**1-30 days past due**	**More than 30 days past due**	**Total**
Expected loss rate	**<0.02%**	**<1%**	**100% based on net exposure**	
Gross carrying amount - Financial assets subject to expected credit loss provision	**1,455,856,153**	**244,409,907**	**6,240,420**	**1,706,506,480**
Loss allowance	**–**	**–**	**2,048,344**	**2,048,344**

As at 31 December 2021

	The Group			
	Not past due	**1-30 days past due**	**More than 30 days past due**	**Total**
Expected loss rate	<0.02%	<1%	100% based on net exposure	
Gross carrying amount - Financial assets subject to expected credit loss provision	2,155,798,972	317,007,765	4,507,313	2,477,314,050
Loss allowance	–	–	1,918,725	1,918,725

Certain loan receivables within trade and other receivables have been determined by management as requiring further assessment for expected credit losses. In 2022, loan receivables amounting to $59,252,812 (2021 : $73,541,680) have been determined to have been subject to significant increase in credit risk since initial recognition, and an amount of $30,547,877 (2021 : $18,385,420) have been provided under lifetime ECL for these loan receivables.

The movement of loss allowance is determined to be as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
At beginning of the year	**20,304,145**	2,403,569
Currency translation difference	**(51,251)**	(4,724)
Allowance for trade and other receivables	**13,142,507**	19,150,270
Amount written off during the year	**–**	(1,244,970)
Amount recovered during the year	**(799,180)**	–
At end of the year	**32,596,221**	20,304,145

The above reconciliation is arising primarily from credit-impaired financial assets and loan receivables with significant increase in credit risk.

(vi) *Liquidity risk management*

Prudent liquidity risk management entails maintaining sufficient cash and marketable securities, adequate committed banking credit facilities and the ability to close out market positions. The Group aims to maintain sufficient cash internally for working capital purposes and from time to time may utilise excess cash of related companies. The Group also aims at maintaining flexibility in funding by keeping committed banking credit facilities. The Group primarily carries out dealing in and financing of listed securities and accepts only marketable securities which are readily convertible into cash as collateral. In addition, the Group ensures that exposures to a single client and to a single security comply with the Group's credit policies and the relevant regulations.

The Group's current financial liabilities will all mature within one year. The Group's non-current financial liabilities have maturities of 2 years (31 December 2021 : 3 years).

(vii) *Fair value of financial assets and financial liabilities*

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

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 gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets/ liabilities	Fair value as at ($)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31 December 2022		31 December 2021				
	Assets	Liabilities	Assets	Liabilities			
Other financial assets, at fair value through profit or loss (see Note 9)							
Quoted equity securities	**131,519,455**	**–**	132,291,206	–	Level 1	Quoted bid prices of an active market.	N/A
Quoted debt securities	**25,843,385**	**–**	23,953,894	–	Level 1	Quoted bid prices of an active market.	N/A
Unquoted equity securities	**182,742**	**–**	190,789	–	Level 2	Discounted cash flow. Future cash flows are estimated based on contractual terms, discounted at rates based upon market-related rates for similar instruments as at the end of the reporting period.	N/A
Unquoted debt securities	**13,022,273**	**–**	28,865,863	–	Level 2	Discounted cash flow. Future cash flows are estimated based on contractual terms, discounted at rates based upon market-related rates for similar instruments as at the end of the reporting period.	N/A
Unit Trusts	**15,279,861**	**–**	237,074,620	–	Level 1	Published bid values.	N/A
Unquoted investment in private fund	**4,739,842**	**–**	18,242,500	–	Level 3	Net asset value.	Net asset value.
Government debt securities	**91,504,904**	**–**	–	–	Level 1	Quoted bid prices of an active market.	N/A
Derivative financial instruments (see Note 11)							
Forward foreign exchange contracts	**7,283**	**10,772**	9,775	28,861	Level 2	Broker quotations.	N/A
Equity derivatives	**30,421,677**	**30,421,677**	48,431,312	48,431,312	Level 2	Broker quotations.	N/A

Financial assets/ liabilities	Fair value as at ($)				Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31 December 2022		31 December 2021				
	Assets	Liabilities	Assets	Liabilities			
Trade and other receivables (see Note 8)							
Loan receivables designated as at fair value through profit or loss	**217,307,216**	–	267,954,268	–	Level 3	Discounted cash flow model/Transaction pricing including recent acquisition or transactions/non-binding broker quotation (Price-based [Note (a)]).	Comparable bond price/Broker quoted price, ranging from $33 to $75 per $100 par value (31 December 2021 : $33 to $75 per $100 par value).
Debts issued (see Note 22)							
Notes issued, designated as at fair value through profit or loss	–	**195,906,465**	–	232,197,023	Level 3	Fair value of underlying referenced assets.	Fair value of underlying referenced assets.
Trade and other payables (see Note 19)							
Trade payables, designated as at fair value through profit or loss	–	**23,511,723**	–	38,181,873	Level 3	Fair value of underlying referenced assets.	Fair value of underlying referenced assets.

(a) The Group may also apply a price-based methodology, which utilises, where available, quoted prices or other market information obtained from recent trading activity in positions with the same or similar characteristics to the position being valued. The market activity and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the observability of prices from those markets. When less liquidity exists for a security or loan, the "price" inputs are considered unobservable and the fair value measurements are classified as Level 3 (see below).

A significant increase (decrease) in each of the unobservable input would result in a significantly higher (lower) fair value measurement.

Significant assumptions in determining fair value of financial assets and liabilities

Derivative financial instruments - at fair value through profit or loss

The Group uses widely recognised valuation models for determining fair values of over-the-counter interest rate swaps and forward foreign exchange contracts. The most frequently applied valuation technique includes forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. For equity derivative contracts, the Group measures their fair values based on broker quotations provided by external parties. These broker quotations are developed by independent external parties, which utilises observable market inputs such as volatility and exchange traded price of the underlying equity security. For these financial instruments, inputs used to derive the valuations are market observable and are therefore included within Level 2.

Financial assets/liabilities designated as at fair value through profit or loss

Loan receivables and structured liabilities which were designated as at fair value through profit or loss are categorised in Level 3 of the fair value hierarchy. The fair value of the loan receivables may be estimated from the market price on a similar recently executed transaction that the Group has entered into, valuations provided by an external valuation specialist or non-binding broker quotations obtained from an independent external party. Valuations provided by external valuation specialists and non-binding broker quotation are used as the primary basis for valuation when there is limited, or no, relevant market activity for a specific instrument or for other instruments that share similar characteristic. These valuations and non-binding broker quotations are developed by independent external parties, which are based on discounted cash flow model or inputs such as the last transaction price of illiquid quoted securities and recently executed transactions of similar assets to which the Group is not a party of. Broker quotations are typically used for the Group's structuring of any new structured transactions and also used by the Finance Department on a quarterly basis in determining if the fair value of these loan receivables is reasonable. On a periodic basis, the Group will obtain an understanding from the independent external valuation specialist and broker on the valuation techniques used in deriving the valuations and will also challenge any significant inputs or methods used. In addition, the Group will also assess for any changes in the underlying credit worthiness of these loan receivables using public information which will be used to validate the movement and consider for any adjustments to be made to the underlying loan receivables. Any adjustment to the fair value of the trade receivables would also result in an adjustment to the debts issued and trade payables with no resulting impact to the profit and loss. The fair value of the loan receivables will be adjusted for all changes in risks and information since that transaction date or non-binding broker quotations based on publicly available information if necessary. In 2022 and 2021, there has been no adjustment made to the external specialist valuations and non-binding broker quotations for determining the fair value of these loan receivables.

Investment in fund comprises an investment in a private fund that is not quoted in an active market. The fair value of the investment is derived based on the Group's share of the net asset value of the fund as at the end of the reporting period.

Debts issued comprise credit-linked notes underpinned by certain loan receivables designated as referenced assets. The credit-linked clauses in these notes allow the Group to deliver the underlying referenced assets to the noteholders as full and final settlement upon the occurrence of a credit event. The notes will be redeemed at carrying amount on the maturity date provided that there is no occurrence of a credit event. These notes can also be redeemed prior to maturity date, which are repayable on demand at the option of either the noteholder or the Group, through physical delivery of the underlying referenced assets. Trade payables to third parties designated as at fair value through profit or loss are fully funded loan participation and equity participation amounts that were received by the Group. Included in the loan participation and equity participation agreements are credit-linked clauses or delivery options that allow the Group to deliver the underlying referenced assets to the participants as full and final settlement at the Group's discretion. These notes and participation arrangements are designed to mitigate the Group's exposure to credit risk on the underlying referenced assets, and their fair values are determined with reference to the fair value of the underlying loan receivables held as assets.

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 during the current or prior year.

Reconciliation of Level 3 fair value measurements

	Financial assets mandatorily measured/ designated as at fair value through profit or loss	Financial liabilities designated as at fair value through profit or loss
	$	$
The Group		
2022		
Opening balance	**286,196,768**	**270,378,896**
Disposals/settlements during the year	**(58,932,726)**	**(50,112,989)**
Additions during the year	**1,062,796**	**1,062,353**
Fair value changes recognised in profit or loss	**(6,279,780)**	**(1,910,072)**
Ending balance	**222,047,058**	**219,418,188**
2021		
Opening balance	340,922,238	325,529,963
Disposals/settlements during the year	(84,963,640)	(85,006,563)
Additions during the year	1,197,966	1,244,605
Fair value changes recognised in profit or loss	29,040,204	28,610,891
Ending balance	286,196,768	270,378,896

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.

(d) Capital risk management policies and objectives

The Group's main objective when managing capital is to maximise shareholders' returns and at the same time conduct its business within prudent guidelines. Management strives to maintain an optimal capital structure so as to maximise shareholder value. To achieve this, the Group may adjust the amount of dividend payment and source for borrowings from banks which provide facilities that best meet its needs at competitive rates.

The capital structure of the Group consists of equity attributable to owners of the parent, comprising issued capital, reserves and retained earnings.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2022 and 2021.

The Group's overall strategy remains unchanged from 2021.

5 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The Group in the normal course of business acts as brokers in securities for certain related companies, directors of the Company and its subsidiaries and their connected persons. During the year, the Group has entered into the following trading transactions:

	The Group	
	2022	2021
	$	$
Commission income received from directors	**59,180**	92,735

In addition to the above and the related party transactions disclosed elsewhere in the financial statements, significant related party transactions during the year were as follows:

	The Group	
	2022	2021
	$	$
Rental of premises paid/payable to a related party	**(288,650)**	(292,173)
Rental of premises received/receivable from a related party	**535,536**	535,536

Related party transactions were made on terms agreed between the parties concerned.

No expense has been recognised in the year for expected credit losses in respect of the amounts owed by the related party.

(b) Key management personnel compensation is as follows:

	The Group	
	2022	2021
	$	$
Salaries and other short-term employee benefits	**16,019,166**	22,562,541
Employer's contribution to defined contribution plans, including Central Provident Fund	**174,393**	190,213
	16,193,559	22,752,754

(c) 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. The outstanding borrowings as at 31 December 2022 and 31 December 2021 are disclosed in Note 20 to the financial statements.

6 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$
Bank balances with:				
- Related parties [Note 5(c)]	**303,476,928**	132,282,905	**518,731**	768,418
- Non-related banks	**682,476,969**	412,282,082	**–**	–
Cash on hand	**22,530**	25,391	**–**	–
	985,976,427	544,590,378	**518,731**	768,418
Fixed deposits with:				
- Non-related banks	**258,080,655**	3,003,135	**–**	–
	258,080,655	3,003,135	**–**	–
Cash and bank balances	**1,244,057,082**	547,593,513	**518,731**	768,418

At the end of the reporting period, the carrying amounts of cash and bank balances approximate their fair values. Included in cash and bank balances are uninvested monies in a segregated account amounting to $10,409,665 (31 December 2021 : $8,107,348) held by the Group as part of its "cash management service" product activities.

Fixed deposits bear average effective interest rates of 5.4% (31 December 2021 : 0.001%) per annum and are for a tenure of approximately 53 days (31 December 2021 : 5 days).

Cash and cash equivalents do not include trust bank balances that represent monies held on behalf of clients and segregated in accordance with the requirements of the SGX-ST Rules and the local regulations in the respective countries. Accordingly, they do not form part of the statement of financial position of the Group.

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

	The Group	
	31 December 2022	31 December 2021
	$	$
Cash and bank balances (as above)	**1,244,057,082**	547,593,513
Less: Bank overdrafts (Note 20)	**(10,854,941)**	(9,169,214)
Cash and cash equivalents per consolidated statement of cash flows	**1,233,202,141**	538,424,299

7 OUTSTANDING CONTRACTS RECEIVABLE/PAYABLE

Outstanding contracts receivable and payable represent amounts receivable or payable in respect of trades which have been executed on an exchange prior to the end of the reporting period and have not been settled as at the end of the reporting period.

(a) Outstanding contracts receivable comprises the following:

	The Group	
	31 December 2022	31 December 2021
	$	$
Due from third parties	**713,034,848**	568,138,777

(b) Outstanding contracts payable comprises the following:

	The Group	
	31 December 2022	31 December 2021
	$	$
Due to third parties	**669,571,869**	553,407,517

The carrying amounts of outstanding contracts receivable and payable approximate their fair values due to the relatively short-term maturity of these financial instruments.

8 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$
Trade receivables from third parties [Note 8(a)]	**1,228,655,868**	1,916,425,118	–	–
Other loan receivables:				
At amortised cost [Note 8(b)]	**537,103,424**	634,430,612	–	–
Designated as at fair value through profit or loss [Note 8(c)]	**217,307,216**	267,954,268	–	–
Less: Allowance for impairment of trade and other receivables individually assessed	**(32,596,221)**	(20,304,145)	–	–
	1,950,470,287	2,798,505,853	–	–
Other receivables from subsidiary:				
At amortised cost	–	–	**201,354**	202,733
	1,950,470,287	2,798,505,853	**201,354**	202,733
Current trade and other receivables (recoverable within 12 months)	**1,739,528,450**	2,499,187,000	–	–
Non-current trade and other receivables (recoverable after 12 months)	**210,941,837**	299,318,853	**201,354**	202,733
	1,950,470,287	2,798,505,853	**201,354**	202,733

(a) Trade receivables include margin loans.

(b) Other loan receivables at amortised cost comprise of loan assets from the Group's lending business.

Included in these other loan receivables are structured loans receivables amounting to $35,997,921 (31 December 2021 : $47,334,201) with maturity dates ranging from June 2023 to July 2024 (31 December 2021 : June 2022 to January 2025) and bear effective interest rates ranging from 1.00% to 6.26% per annum (31 December 2021 : 1.00% to 6.26% per annum). These structured loan receivables have been designated as the referenced assets for certain debts issued by the Group (Note 22), or are subject to fully funded loan participation agreements where the related participation payables are recorded under trade payables to third parties at amortised cost (Note 19).

(c) Included in these other loan receivables designated as at fair value through profit or loss are:

(i) medium term notes and distressed debts purchased at a deep discount amounting to $195,915,332 (31 December 2021 : $232,204,320) with maturities ranging from March 2024 to February 2039 (31 December 2021 : from March 2024 to February 2039). These medium term notes bear effective interest rates ranging from 2.12% to 13.33% per annum (31 December 2021 : 2.12% to 13.33% per annum). The effective interest rate realised for distressed debts is 9.44% per annum (31 December 2021 : 8.84% per annum). These medium term notes and distressed debts have been designated as the referenced assets for certain debts issued by the Group (Note 22) under certain structured transactions entered into by the Group, which have the carrying amount of $195,906,465 (31 December 2021 : $232,197,023) and maturities ranging from March 2024 to February 2039 (31 December 2021 : from March 2024 to February 2039).

(ii) structured loan receivables amounting to $21,391,884 (31 December 2021 : $35,749,948) with maturities ranging from May 2024 to December 2024 (31 December 2021 : from March 2022 to December 2024) that are subject to fully funded loan participation agreements. These structured loan receivables bear fixed interest rates ranging from 3.0% to 6.0% per annum (31 December 2021 : 3.0% to 6.0% per annum). The related participation payables are recorded under trade payables to third parties designated at fair value through profit or loss (Note 19), which have the carrying amount of $21,391,884 (31 December 2021 : $35,748,422) and maturities ranging from May 2024 to December 2024 (31 December 2021 : from March 2022 to December 2024).

The net exposure to credit risk from these loan receivables designated as the referenced assets or subject to participation is mitigated through the credit-linked clauses in the credit-linked notes and fully funded loan participation agreements. The notes and structured loan receivables will be redeemed at carrying amount on the maturity date provided that there is no occurrence of a credit event. They can also be redeemed prior to maturity date through physical delivery of the underlying referenced assets at the option of either the noteholder or the Group and are designed to mitigate the Group's exposure to credit risk on the underlying referenced assets. Given that the loan receivables have been designated as referenced assets, they have been classified as current assets consistent with the underlying liabilities.

Concentration of credit risk with respect to trade receivables is limited due to the Group's diversified customer base. Management believes that there is no anticipated additional credit risk beyond amount of allowance for impairment made in the Group's trade receivables. Trade receivables from third parties bear interest at market rates. Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

At the end of the reporting period, the carrying amounts of trade and other receivables carried at amortised cost approximate their fair value due to the relatively short-term maturity or frequent repricing of the financial instruments. The exposure to interest rate risks of trade and other receivables is disclosed in Note 4(c)(iii).

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

	The Group	
	31 December 2022	31 December 2021
	$	$
Quoted securities:		
- Debt securities	**25,843,385**	23,953,894
- Equity securities	**131,519,455**	132,291,206
Unquoted securities:		
- Debt securities	**13,022,273**	28,865,863
- Equity securities	**182,742**	190,789
Unit trusts	**15,279,861**	237,074,620
Investment in private fund	**4,739,842**	18,242,500
Government debt securities	**91,504,904**	–
	282,092,462	440,618,872
Current financial assets, at fair value through profit or loss	**280,959,382**	439,106,086
Non-current financial assets, at fair value through profit or loss	**1,133,080**	1,512,786
	282,092,462	440,618,872

Other financial assets, at fair value through profit or loss include certain quoted equity securities that are held by the Group for the purpose of hedging clients' open positions, unit trusts and government debt securities in segregated accounts which are held by the Group as part of its "cash management service" product activities and investments that offer the Group the opportunity for return through dividend income and fair value gains.

Except for the investments in quoted and unquoted debt securities, they have no fixed maturity or coupon rate. The fair values of the quoted equity securities and debt securities are based on closing quoted market prices on the last market day of the financial year.

The fair values of the unquoted debt securities are computed on the discounted cash flow basis using discount rates based upon market-related rates for similar instruments as at the end of the reporting period. The investments in unquoted debt securities of $13,022,273 (31 December 2021 : $28,865,863), represents investments in debt securities of private sectors in Thailand. In 2022, the unquoted equity securities amounting to $182,742 (31 December 2021 : $190,789) in Thailand represent an overseas subsidiary's subscription to shares in a non-listed company set up by an overseas exchange in 1996. The fair value of the investment in private fund is based on its recent net asset value.

10 OTHER CURRENT ASSETS

	The Group		**The Company**	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$
Amounts due from subsidiaries [Note 10(a)]	**–**	–	**378,794,870**	234,733,427
Deposits [Note 10(b)]	**32,025,065**	46,327,723	**–**	–
Prepayments	**3,227,075**	3,610,246	**4,500**	4,500
Amounts deposited with lenders of securities [Note 10(c)]	**3,171,701**	4,273,701	**–**	–
Other receivables	**14,900,779**	13,050,467	**182,190**	60,024
	53,324,620	67,262,137	**378,981,560**	234,797,951

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

(b) Included in deposits is an amount of $1,916,612 (31 December 2021 : $2,416,612) placed by a subsidiary as collateral with The Central Depository (Pte) Limited by virtue of the subsidiary being a clearing member of the Singapore Exchange Securities Trading Limited (Note 33).

(c) Securities borrowing and lending contracts

	The Group	
	31 December 2022	31 December 2021
	$	$
Securities borrowed		
Securities borrowed from lenders, at fair value:		
- Lent to clients	**555,183**	1,048,871
Securities lent		
Securities lent to clients, at fair value:		
- Borrowed from lenders	**555,183**	1,048,871

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

11 DERIVATIVE FINANCIAL INSTRUMENTS

	The Group			
	31 December 2022		31 December 2021	
	Assets	**Liabilities**	Assets	Liabilities
	$	**$**	$	$
Forward foreign exchange contracts	**7,283**	**10,772**	9,775	28,861
Equity derivatives	**30,421,677**	**30,421,677**	48,431,312	48,431,312
	30,428,960	**30,432,449**	48,441,087	48,460,173

Forward foreign exchange contracts

In order to manage the risks arising from fluctuations in currency exchange rates, the Group utilises forward foreign exchange contracts with settlement dates ranging between 3 to 5 days (31 December 2021 : between 4 to 6 days).

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.

The following table details the forward foreign exchange contracts outstanding at the end of the reporting period:

	Contract or underlying principal amount		Gross positive fair value		Gross negative fair value		Settlement dates of open contracts	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$	**$**	$		
The Group								
Forward foreign exchange contracts	**6,238,502**	39,887,291	**7,283**	9,775	**10,772**	28,861	Within one week after end of the reporting period.	Within one week after end of the reporting period.

Equity derivatives

Equity derivative financial instruments arises from customer transactions and are covered back-to-back by offsetting transactions with third party issuers. The contractual or underlying principal amounts of these equity derivative financial instruments and their corresponding gross fair values at the end of the reporting period are shown below:

	Contract or underlying principal amount		Gross positive fair value		Gross negative fair value		Settlement dates of open contracts	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$	**$**	$		
The Group								
Equity derivatives	**310,052,725**	521,769,930	**30,421,677**	48,431,312	**30,421,677**	48,431,312	**Within 2 years after end of the reporting period.**	Within 2 years after end of the reporting period.

12 GOODWILL

	The Group $
Cost:	
At 1 January 2021	24,032,632
Exchange differences	(1,120,791)
At 31 December 2021	22,911,841
Exchange differences	**(570,881)**
At 31 December 2022	**22,340,960**
Impairment:	
At 1 January 2021	(9,331,985)
Impairment loss (Note 28)	(240,967)
At 31 December 2021	(9,572,952)
Impairment loss (Note 28)	**(618,708)**
At 31 December 2022	**(10,191,660)**
Carrying amount:	
At 31 December 2022	**12,149,300**
At 31 December 2021	13,338,889

Goodwill arose in the acquisitions entered into by the Group in prior and current years because the cost of combination included the benefits of a larger client base, future market developments and revenue growth. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
Thailand [Note 12(a)]	**17,578,482**	18,086,664
Malaysia [Note 12(b)]	**4,762,478**	4,825,177
	22,340,960	22,911,841

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined based on value-in-use calculations.

The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. The key assumptions used in the calculation of value-in-use are operating profit margins, growth rates and discount rates.

(a) Cash flow forecasts from the Thailand CGU are based on an estimated profit margin of 34.00% (31 December 2021 : 32.48%), estimated growth rate of 1.50% (31 December 2021 : 1.50%) and weighted average cost of capital of 10.84% (31 December 2021 : weighted average cost of capital of 9.00%) per annum.

As at 31 December 2022 and 31 December 2021, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

As at 31 December 2022, before impairment testing, goodwill of $17.6 million (31 December 2021 : $18.1 million) was allocated to the Thailand CGU. Accumulated impairment loss as of 31 December 2022 was $6.5 million (31 December 2021 : $5.9 million).

In 2022 and 2021, due to resignation of marketing officers transferred from the previous acquisitions, the Group has revised its cash flow forecasts for this CGU. The Thailand CGU has therefore been reduced to its recoverable amount through recognition of an impairment loss against goodwill of $0.6 million (31 December 2021 : $0.2 million).

(b) Goodwill allocated to the Malaysia CGU includes the business of a financial advisory company in Malaysia which is licensed under both Bank Negara Malaysia and Securities Commission of Malaysia that was acquired in 2020.

13 OTHER INTANGIBLE ASSETS

	Customer portfolio database $
The Group	
Cost:	
At 1 January 2021, 31 December 2021 and 31 December 2022	**2,277,314**
Amortisation:	
At 1 January 2021	(1,382,090)
Amortisation for the year (Note 28)	**(895,224)**
At 31 December 2021 and 31 December 2022	**(2,277,314)**
Carrying amount:	
At 31 December 2021 and 31 December 2022	–

14 SUBSIDIARIES

	The Company	
	31 December 2022 $	31 December 2021 $
Equity investments at cost		
At beginning and end of the year	**363,860,486**	363,860,486

Details of subsidiaries are included in Note 36 to the financial statements.

The following schedule shows the effect of changes in the Group's ownership interest in a subsidiary, UOB Kay Hian Securities (Thailand) Public Company Limited, that did not result in a change of control on the equity attributable to owners of the parent.

	The Group	
	31 December 2022 $	31 December 2021 $
Amounts paid to acquire additional interest in a subsidiary	–	125,589
Non-controlling interest acquired	–	(271,559)
Statutory reserve transferred from non-controlling interest	–	3,230
Difference recognised in equity reserve	–	(142,740)
Total movement in equity reserve (Note 24)	–	(142,740)

15 RIGHT-OF-USE ASSETS

The Group leases several assets including buildings, office space and motor vehicles. The average lease term is 3 years (2021 : 3 years).

	Buildings and office space $	Motor Vehicles $	Total $
The Group			
Cost:			
At 1 January 2021	23,979,880	221,000	24,200,880
Additions	3,037,472	28,005	3,065,477
Currency translation differences	(335,628)	(18,065)	(353,693)
At 31 December 2021	26,681,724	230,940	26,912,664
Additions	15,428,651	–	15,428,651
Currency translation differences	**(693,007)**	**(9,741)**	**(702,748)**
At 31 December 2022	**41,417,368**	**221,199**	**41,638,567**
Accumulated depreciation:			
At 1 January 2021	(9,938,722)	(103,649)	(10,042,371)
Depreciation	(6,072,160)	(53,446)	(6,125,606)
Currency translation differences	215,682	10,129	225,811
At 31 December 2021	(15,795,200)	(146,966)	(15,942,166)
Depreciation	**(6,205,250)**	**(40,226)**	**(6,245,476)**
Currency translation differences	**579,847**	**6,656**	**586,503**
At 31 December 2022	**(21,420,603)**	**(180,536)**	**(21,601,139)**
Carrying amount:			
At 31 December 2022	**19,996,765**	**40,663**	**20,037,428**
At 31 December 2021	10,886,524	83,974	10,970,498

During the year ended 31 December 2022 and 2021, certain leases for buildings and office space expired. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of-use assets of $15,428,651 (31 December 2021 : $3,065,477).

16 TRADING RIGHTS IN EXCHANGES/MEMBERSHIPS IN EXCHANGES

(a) Trading rights in Exchanges

	The Group 31 December 2022 $	The Group 31 December 2021 $
Trading rights in The Stock Exchange of Hong Kong Limited, Hong Kong Futures Exchange Limited and Philippine Stock Exchange, Inc. at cost less accumulated impairment losses	**91,082**	94,859

There is no impairment loss recognised for the year ended 31 December 2022 and 31 December 2021.

The following is a reconciliation of the carrying amount of trading rights in Exchanges at the beginning and end of the reporting period:

The Group	**$**
At 1 January 2021	95,388
Currency translation differences	(529)
At 31 December 2021	94,859
Currency translation differences	**(3,777)**
At 31 December 2022	**91,082**

(b) Memberships in Exchanges

	The Group	
	31 December 2022	31 December 2021
	$	$
Memberships in The Stock Exchange of Thailand and Jakarta Stock Exchange, at amortised cost less accumulated impairment losses	**207,783**	217,583

There is no impairment loss recognised for the year ended 31 December 2022 and 31 December 2021.

The following is a reconciliation of the carrying amount of memberships in Exchanges at the beginning and end of the reporting period:

The Group	**$**
At 1 January 2021	235,648
Currency translation differences	(18,065)
At 31 December 2021	217,583
Currency translation differences	**(9,800)**
At 31 December 2022	**207,783**

17 PROPERTY, PLANT AND EQUIPMENT

The Group	Buildings $	Leasehold land $	Leasehold improvements $	Furniture, fittings and office equipment $	Computer equipment and software $	Communication equipment $	Motor vehicles $	Total $
Cost:								
At 1 January 2021	35,078,317	35,836,409	13,643,435	9,487,108	45,673,496	1,562,569	2,238,071	143,519,405
Additions	–	–	1,402,779	206,406	3,320,230	8,364	165,807	5,103,586
Disposals	–	–	(177,453)	(19,429)	(1,304,874)	(93,500)	(40,071)	(1,635,327)
Currency translation differences	(46,983)	(14,223)	(322,134)	(119,263)	(917,171)	4,876	(116,690)	(1,531,588)
At 31 December 2021	35,031,334	35,822,186	14,546,627	9,554,822	46,771,681	1,482,309	2,247,117	145,456,076
Additions	–	–	**161,985**	**163,029**	**1,939,298**	**25,557**	**369,911**	**2,659,780**
Disposals	–	–	**(102,087)**	**(98,357)**	**(252,220)**	–	**(277,187)**	**(729,851)**
Write off	–	–	**(101,928)**	**(84,066)**	–	–	–	**(185,994)**
Currency translation differences	**(146,049)**	**(44,210)**	**(291,507)**	**(264,164)**	**(1,046,972)**	**(28,055)**	**(110,675)**	**(1,931,632)**
At 31 December 2022	**34,885,285**	**35,777,976**	**14,213,090**	**9,271,264**	**47,411,787**	**1,479,811**	**2,229,166**	**145,268,379**
Accumulated depreciation:								
At 1 January 2021	27,992,781	28,455,859	9,976,771	8,260,173	33,779,344	1,514,340	1,651,498	111,630,766
Depreciation charge	2,405,379	2,548,470	1,213,237	480,864	5,160,848	18,143	243,639	12,070,580
Disposals	–	–	(111,913)	(19,271)	(1,273,967)	(93,500)	(40,071)	(1,538,722)
Currency translation differences	(29,607)	(140)	(256,724)	(105,787)	(700,277)	4,910	(91,050)	(1,178,675)
At 31 December 2021	30,368,553	31,004,189	10,821,371	8,615,979	36,965,948	1,443,893	1,764,016	120,983,949
Depreciation charge	**2,413,298**	**2,548,440**	**1,452,584**	**413,232**	**4,163,328**	**16,497**	**187,392**	**11,194,771**
Disposals	–	–	**(101,721)**	**(89,408)**	**(246,542)**	–	**(277,186)**	**(714,857)**
Write off	–	–	**(96,188)**	**(81,667)**	–	–	–	**(177,855)**
Currency translation differences	**(95,754)**	**(500)**	**(256,885)**	**(237,457)**	**(757,021)**	**(25,954)**	**(88,207)**	**(1,461,778)**
At 31 December 2022	**32,686,097**	**33,552,129**	**11,819,161**	**8,620,679**	**40,125,713**	**1,434,436**	**1,586,015**	**129,824,230**
Carrying amount:								
At 31 December 2022	**2,199,188**	**2,225,847**	**2,393,929**	**650,585**	**7,286,074**	**45,375**	**643,151**	**15,444,149**
At 31 December 2021	4,662,781	4,817,997	3,725,256	938,843	9,805,733	38,416	483,101	24,472,127

The Group has pledged property, plant and equipment having a carrying amount of approximately $3.1 million (31 December 2021 : $6.5 million) to secure banking facilities granted to the Group (Note 20).

18 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
Deferred tax assets	**1,675,633**	1,511,575
Deferred tax liabilities	**(1,869,221)**	(2,201,299)

The following are the major deferred tax assets and liabilities recognised by the Group and the movement thereon, during the current and prior reporting periods:

	Fair value losses/Employee benefits/ Actuarial losses	Tax losses	Total
	$	$	$
The Group			
Deferred tax assets			
At 1 January 2021	29,110	1,509,557	1,538,667
Credited to profit or loss (Note 29)	–	87,654	87,654
Currency translation differences	(282)	(89,858)	(90,140)
Defined benefit plans (Note 29)	(24,606)	–	(24,606)
At 31 December 2021	4,222	1,507,353	1,511,575
Credited to profit or loss (Note 29)	**48,113**	**223,934**	**272,047**
Currency translation differences	**18,629**	**(103,767)**	**(85,138)**
Defined benefit plans (Note 29)	**(22,851)**	**–**	**(22,851)**
At 31 December 2022	**48,113**	**1,627,520**	**1,675,633**

	Fair value (gains) losses	Accelerated tax depreciation	Total
	$	$	$
The Group			
Deferred tax liabilities			
At 1 January 2021	(460,952)	(1,842,770)	(2,303,722)
Credited to profit or loss (Note 29)	–	13,004	13,004
Currency translation differences	17,111	72,308	89,419
At 31 December 2021	(443,841)	(1,757,458)	(2,201,299)
Credited to profit or loss (Note 29)	**–**	**254,327**	**254,327**
Currency translation differences	**40,425**	**37,326**	**77,751**
At 31 December 2022	**(403,416)**	**(1,465,805)**	**(1,869,221)**

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits are probable. The Group has unrecognised tax losses of $13.8 million (31 December 2021 : $29.2 million) at the end of the reporting period, which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those subsidiaries with unrecognised tax losses and capital allowances in their respective countries of incorporation. Included in unrecognised tax losses are losses of $11.2 million (31 December 2021 : $26.7 million) that will expire in 2028. Other losses have no expiry date. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised is approximately $48.0 million (31 December 2021 : $43.8 million). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

19 TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$
Trade payables to third parties:				
At amortised cost	**254,287,215**	507,645,057	**–**	–
Participation trade payables:				
At amortised cost	**20,002,763**	20,002,632	**–**	–
Designated as at fair value through profit or loss	**23,511,723**	38,181,873	**–**	–
Accrued operating expenses	**81,184,310**	86,556,787	**7,060,175**	6,390,674
Amount due to subsidiaries	**–**	–	**49,280,165**	47,080,958
Other payables	**21,364,974**	22,131,601	**–**	–
	400,350,985	674,517,950	**56,340,340**	53,471,632
Analysed as:				
Current	**378,732,985**	652,660,977	**56,340,340**	53,471,632
Non-current	**21,618,000**	21,856,973	**–**	–
	400,350,985	674,517,950	**56,340,340**	53,471,632

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Participation trade payables comprise of fully funded loan participation and equity participation amounts that were received by the Group. The related loan participation and equity participation agreements include credit-linked clauses or delivery options that allow the Group to deliver the underlying referenced assets to the participants as full and final settlement at the Group's discretion. The loan participation agreements will be terminated on the maturity date. The referenced assets underpinning these participation trade payables have carrying amount of $41,281,605 (31 December 2021 : $54,701,599) in trade and other receivables (Note 8), and $2,119,838 (31 December 2021 : $2,433,451) in other financial assets, at FVTPL (Note 9). The carrying amounts of these participation trade payables, which are repayable on demand, approximate the fair values of the underlying referenced assets.

Accrued operating expenses include the employee benefit obligations amounting to $5,575,030 (31 December 2021 : $5,283,939) and $1,123,281 (31 December 2021 : $1,180,774) arising from post-employment benefit plans operated under Thailand Labour Protection Act and Indonesia Labour Law respectively by subsidiaries of the Company. Details of the relevant information of employee benefit obligations are set out in Note 37 to the financial statements.

The carrying amounts of trade and other payables approximate their fair values.

20 BORROWINGS

	The Group		The Company	
	31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
	$	$	**$**	$
Current				
Bank overdrafts:				
- with related parties [Note 5(c)]	**9,667,619**	4,798,311	**–**	–
- with non-related banks	**1,187,322**	4,370,903	**–**	–
	10,854,941	9,169,214	**–**	–
Short-term bank loans:				
- with related parties [Note 5(c)]	**350,975,933**	541,364,216	**3,600,000**	4,454,650
- with non-related banks	**781,348,207**	640,500,579	**132,892,650**	–
	1,132,324,140	1,181,864,795	**136,492,650**	4,454,650
Total borrowings	**1,143,179,081**	1,191,034,009	**136,492,650**	4,454,650

The carrying amounts of borrowings approximate their fair values.

Short-term bank loan of the Company with a related party bears effective interest rate of 4.47% per annum (31 December 2021 : 0.69% per annum). It is secured with a fixed charge over immovable fixed assets and a floating charge over all assets of the Company, and is due within 1 month (31 December 2021 : 1 month) from the end of the reporting period.

The terms of bank overdrafts and short-term bank loans of the Group at the end of the reporting period are as follows:

31 December 2022

Short-term bank loans

$	Weighted average effective interest rates	Security, if any	Maturity
Balances with related parties			
350,975,933	**4.04% per annum**	**A fixed charge over immovable fixed assets and a floating charge over all assets of a subsidiary.**	**Due within 1 month from the end of the reporting period.**
Balances with non-related banks			
775,236,207	**4.75% per annum**	**A fixed charge over immovable fixed assets and a floating charge over all assets of a subsidiary.**	**Due within 1 month from the end of the reporting period.**
6,112,000	**3.8% per annum**	**Unsecured**	**Due within 1 month from the end of the reporting period.**

31 December 2021

Short-term bank loans

$	Weighted average effective interest rates	Security, if any	Maturity
Balances with related parties			
541,364,216	0.81% per annum	A fixed charge over immovable fixed assets and a floating charge over all assets of a subsidiary.	Due within 1 month from the end of the reporting period.
Balances with non-related banks			
634,027,679	0.76% per annum	A fixed charge over immovable fixed assets and a floating charge over all assets of a subsidiary.	Due within 1 month from the end of the reporting period.
6,472,900	2.55% per annum	Unsecured	Due within 1 month from the end of the reporting period.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	1 January 2022	Financing cash flows	New lease liabilities	Foreign exchange movement	Other changes (i)	31 December 2022
	$	$	$	$	$	$
The Group						
Short-term bank loans:						
- with related parties [Note 5(c)]	541,364,216	(190,388,283)	–	–	–	350,975,933
- with non-related banks	640,500,579	140,847,628	–	–	–	781,348,207
	1,181,864,795	(49,540,655)	–	–	–	1,132,324,140
Lease liabilities (Note 21)	11,276,241	(7,235,800)	15,428,651	660,303	876,517	21,005,912
	1,193,141,036	(56,776,455)	15,428,651	660,303	876,517	1,153,330,052

			Non-cash changes			
	1 January 2021	**Financing cash flows**	**New lease liabilities**	**Foreign exchange movement**	**Other changes (i)**	**31 December 2021**
	$	**$**	**$**	**$**	**$**	**$**
The Group						
Short-term bank loans:						
- with related parties [Note 5(c)]	675,516,257	(134,152,041)	–	–	–	541,364,216
- with non-related banks	488,044,424	152,456,155	–	–	–	640,500,579
	1,163,560,681	18,304,114	–	–	–	1,181,864,795
Lease liabilities (Note 21)	14,883,351	(6,760,044)	3,065,477	(378,155)	465,612	11,276,241
	1,178,444,032	11,544,070	3,065,477	(378,155)	465,612	1,193,141,036

(i) Other changes include interest accruals.

21 LEASE LIABILITIES

	The Group	
	31 December 2022	31 December 2021
	$	$
Maturity analysis:		
Year 1	**5,794,748**	5,811,612
Year 2	**5,403,245**	3,866,096
Year 3	**5,128,410**	2,184,303
Year 4	**3,982,824**	5,601
Year 5	**2,652,832**	3,734
	22,962,059	11,871,346
Less: Unearned interest	**(1,956,147)**	(595,105)
	21,005,912	11,276,241
Analysed as:		
Current	**5,045,341**	5,432,687
Non-current	**15,960,571**	5,843,554
	21,005,912	11,276,241

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's Finance function.

22 DEBTS ISSUED

	The Group	
	31 December 2022	31 December 2021
	$	$
Notes issued:		
At amortised cost	**43,049,407**	28,382,415
Designated as at fair value through profit or loss	**195,906,465**	232,197,023
	238,955,872	260,579,438

In 2010, the Group established a USD1,000,000,000 multi-currency structured note programme arranged by a related party in which the Group may raise funds through the issuance of notes from time to time under the programme. The terms and conditions of notes issued, have taken into consideration the terms and conditions of the corresponding underlying referenced assets (Note 8).

Included in debts issued are notes that are issued at par with maturities ranging from March 2024 to February 2039 (31 December 2021 : from March 2024 to February 2039) under certain structured transactions entered into by the Group amounting to $212,014,399 (31 December 2021: $260,579,438). The credit-linked clauses in the notes allow the Group to deliver the underlying referenced assets [Note 8(b) and 8(c)] to the noteholders as full and final settlement upon the occurrence of a credit event. The notes will be redeemed at carrying amount on the maturity date provided that there is no occurrence of a credit event. These notes can also be redeemed prior to maturity date through physical delivery of the underlying referenced assets at the option of either the noteholder or the Group and are designed to mitigate the Group's exposure to credit risk on the underlying referenced assets. The referenced assets underpinning these notes have carrying amount of $212,023,533 (31 December 2021 : $260,586,870) and maturities ranging from March 2024 to February 2039 (31 December 2021 : from March 2024 to February 2039).

The notes with medium term notes as their underlying referenced assets bear effective interest rate ranging from 2.12% to 13.33% per annum in 2022 (31 December 2021 : 2.12% to 11.50% per annum). The effective interest rates realised for the notes with distressed debts as their underlying referenced assets is 9.07% per annum (31 December 2021 : 7.93% per annum).

The carrying amounts of debts issued, which are repayable on demand, approximate the fair values of the underlying referenced assets (Note 8).

23 SHARE CAPITAL

	The Group and The Company			
	2022	2021	**2022**	2021
	Number of ordinary shares	Number of ordinary shares	**$**	$
Issued and paid up:				
At beginning of the year	**863,406,225**	836,966,171	**257,414,898**	217,887,018
Issue of shares pursuant to Scrip Dividend Scheme (Note 32)	**24,609,202**	26,440,054	**34,649,756**	39,527,880
At end of the year	**888,015,427**	863,406,225	**292,064,654**	257,414,898
Treasury shares:				
At beginning of the year	**–**	–	**–**	–
Share buyback	**(2,491,000)**	–	**(3,446,085)**	–
At end of the year	**(2,491,000)**	–	**(3,446,085)**	–
Total share capital	**885,524,427**	863,406,225	**288,618,569**	257,414,898

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

In 2022, the Company acquired 2,491,000 of its own shares through purchases on the Singapore Exchange Securities Trading Limited. The total amount paid to acquire the shares was $3,446,085 and has been deducted from shareholders' equity. The shares are held as treasury shares.

24 RESERVES

	The Group	
	31 December 2022	31 December 2021
	$	$
Foreign currency translation reserves [Note 24(a)]	**(54,056,961)**	(34,724,653)
Statutory reserve [Note 24(b)]	**1,828,324**	1,899,179
Equity reserve [Note 24(c)]	**1,967,587**	1,967,587
	(50,261,050)	(30,857,887)

(a) Foreign currency translation reserves

Foreign currency translation reserves represent exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into Singapore dollars are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of foreign currency translation reserves.

(b) Statutory reserve

Under the Public Limited Company Act B.E. 2535 of Thailand, a subsidiary, UOB Kay Hian Securities (Thailand) Public Company Limited is required to set aside a statutory reserve of at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The reserve is non-distributable.

In accordance with the Securities Regulation Code of the Philippines, a subsidiary, UOB Kay Hian Securities (Philippines), Inc. is required to set aside a certain minimum percentage of its profit after tax annually and transfer the same amount to a reserve fund.

(c) Equity reserve

The equity reserve represents the effects of changes in ownership interests in subsidiaries when there is no change in control.

25 REVENUE

	The Group	
	2022	2021
	$	$
Commission income	**297,673,361**	450,467,732
Trading income	**6,027,826**	11,350,780
Interest income:		
- fixed deposits with related parties [Note 5(c)]	**15,522,906**	3,690,822
- fixed deposits with non-related banks	**31,836,423**	3,363,740
- clients	**89,553,753**	91,956,331
- others	**4,074,596**	5,069,491
	140,987,678	104,080,384
Interest income from financial instruments designated as at fair value through profit or loss	**15,854,178**	19,555,836
Dividend income from quoted/unquoted securities	**692,480**	2,361,736
Facility, shares withdrawal and arrangement fees	**13,743,415**	20,486,473
Advisory fees	**8,292,549**	6,794,798
Other operating revenue	**12,442,326**	11,929,975
	495,713,813	627,027,714

26 STAFF COSTS

	The Group	
	2022	2021
	$	$
Wages, salaries and other staff costs	**139,981,783**	183,079,799
Less: Wage support from Government grant	**–**	(169,926)
Employers' contribution to employee benefit plans including Central Provident Fund	**7,056,630**	6,888,382
	147,038,413	189,798,255

In 2021, the Group received wage support for Singapore and Hong Kong employees under Jobs Support Scheme from the Singapore Government and Anti-Epidemic Fund from the Hong Kong Government as part of the Governments' measures to support businesses during the period of economic uncertainty impacted by COVID-19. In 2021, government grant income of $169,926 was recognised during the year and is presented net against the related salary costs. No government grant income was received in 2022.

27 FINANCE EXPENSE

	The Group	
	2022	2021
	$	$
Interest expense:		
- borrowings from related parties [Note 5(c)]	**6,735,511**	7,301,192
- borrowings from non-related banks	**12,248,932**	7,173,120
- debts issued	**14,694,543**	17,655,969
- lease liabilities	**876,517**	465,612
- others	**4,864,477**	4,824,943
	39,419,980	37,420,836

28 OTHER OPERATING EXPENSES

	The Group	
	2022	2021
	$	$
Net fair value loss on other financial assets, at fair value through profit or loss	**18,251,710**	3,060,682
Expense relating to short-term leases and low value assets	**811,726**	1,951,902
Marketing and business promotions	**7,183,921**	6,861,577
Communication expenses	**23,406,091**	26,315,095
Contract processing charges	**720,643**	1,247,740
Information services	**9,499,119**	9,610,287
Depreciation expenses:		
- property, plant and equipment (Note 17)	**11,194,771**	12,070,580
- right-of-use asset (Note 15)	**6,245,476**	6,125,606
Net (gain) loss on disposal of property, plant and equipment	**(55,544)**	38,634
Amortisation of other intangible assets (Note 13)	**–**	895,224
Impairment of goodwill (Note 12)	**618,708**	240,967
Audit fees:		
- paid to auditor of the Company	**234,956**	201,656
- paid to other auditors	**607,127**	616,108
Non-audit fees:		
- paid to auditor of the Company	**62,236**	54,373
- paid to other auditors	**6,850**	11,428
Maintenance and rental of office equipment	**1,651,024**	2,059,813
Printing and stationery	**741,091**	893,149
Allowance for trade and other receivables	**13,142,507**	19,150,270
Other staff cost	**5,331,123**	10,242,279
General administrative expenses	**14,937,623**	13,701,219
	114,591,158	115,348,589

29 INCOME TAX EXPENSE

Income tax recognised in profit or loss:

	The Group	
	2022	2021
	$	$
Tax expense comprises:		
Current income tax:		
- Singapore	**13,512,799**	14,312,627
- Foreign	**2,866,250**	6,858,004
	16,379,049	21,170,631
Deferred income tax (Note 18)	**(526,374)**	(100,658)
	15,852,675	21,069,973
Under (Over) provision in prior years:		
- current income tax	**2,473,171**	(1,311,610)
- deferred income tax	**132,486**	(1,662)
	18,458,332	19,756,701

Domestic income tax is calculated at 17% (2021 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	The Group	
	2022	2021
	$	$
Profit before income tax	**121,379,706**	173,589,913
Income tax expense calculated at 17% (2021 : 17%)	**20,634,550**	29,510,285
Effects of:		
- Singapore statutory stepped income exemption and tax rebate	**(69,700)**	(69,700)
- Income not subject to tax	**(7,993,676)**	(10,451,651)
- Expenses not deductible for tax purposes	**7,075,230**	6,130,627
- Utilisation of previously unused tax losses	**(3,358,628)**	(4,921,843)
- Tax benefits on tax losses and other temporary differences not recognised	**240,129**	95,089
- Different tax rates of subsidiaries operating in other jurisdictions	**1,256,391**	2,063,306
- Others	**674,036**	(2,599,412)
	18,458,332	19,756,701

Income tax relating to each component of other comprehensive income:

	The Group	
	2022	2021
	$	$
Deferred income tax:		
Actuarial movements on defined benefit plans (Note 18)	**(22,851)**	(24,606)

30 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	The Group	
	2022	2021
	$	$
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain on defined benefit plans	**103,870**	111,803
Deferred tax liability arising on actuarial loss	**(22,851)**	(24,606)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(20,253,858)**	(7,105,063)
Other comprehensive loss for the year, net of tax	**(20,172,839)**	(7,017,866)

31 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:

	2022	2021
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**$101,879,105**	$151,881,004
Weighted average number of ordinary shares for the purpose of basic earnings per share	**876,277,836**	851,019,241
Basic earnings per share	**11.63 cents**	17.85 cents

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

32 DIVIDENDS

	The Group and The Company	
	2022	2021
	$	$
One-tier tax-exempt final dividend in respect of the year ended 31 December 2021 of 8.8 cents per ordinary share paid (31 December 2020 : 9.5 cents per ordinary share paid)	**75,982,496**	79,515,150
Dividend paid in cash	**41,332,740**	39,987,270
Dividend paid through issuance of new shares under the Scrip Dividend Scheme (Note 23)	**34,649,756**	39,527,880
	75,982,496	79,515,150

At the Annual General Meeting on 27 April 2023, a one-tier tax-exempt final dividend of 6.0 cents per ordinary share in respect of year ended 31 December 2022 amounting to a total of $53,280,926 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2023.

33 CONTINGENT LIABILITIES

(a) Obligations by virtue of a subsidiary being a clearing member of Singapore Exchange Securities Trading Limited ("SGX-ST") - secured

At the end of the reporting period, there are contingent liabilities of $1,555,326 (31 December 2021 : $2,208,935) in respect of the obligations of a subsidiary to The Central Depository (Pte) Limited ("CDP") by virtue of the subsidiary being a clearing member of the SGX-ST. The contingent liabilities are secured against deposits amounting to $1,916,612 (31 December 2021 : $2,416,612) placed by the subsidiary with CDP as disclosed in Note 10(b) to the financial statements.

34 COMMITMENTS

(a) Operating lease arrangements

The Group as a lessor

The Group rents out its property in Singapore under operating leases.

Disclosure required by SFRS(I) 16

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with average lease terms of 1 year (31 December 2021 : 2 years). The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	The Group	
	2022	2021
	$	$
Within one year	**337,629**	564,679
In the second to fifth year inclusive	–	337,629
Total	**337,629**	902,308

(b) Financial guarantees

The Company has issued corporate guarantees [(Note 4(c)(v)] to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

35 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 $	Hong Kong $	Thailand $	Malaysia $	Others $	Elimination $	Total $
The Group							
2022							
Revenue							
- External sales	170,940,814	70,194,780	48,210,726	40,118,674	9,406,963	–	338,871,957
- Interest income	89,017,397	53,795,790	4,534,599	7,169,037	2,325,033	–	156,841,856
- Inter-segment sales	10,678,430	278,147	1,052,017	2,894,252	2,310,868	(17,213,714)	–
	270,636,641	124,268,717	53,797,342	50,181,963	14,042,864	(17,213,714)	495,713,813
Segment results	57,496,541	39,918,286	11,126,562	14,569,020	1,197,007	(2,927,710)	121,379,706
Profit before tax							121,379,706
Income tax expense							(18,458,332)
Profit after tax							102,921,374
Segment assets (Note A)	3,075,092,474	1,395,317,892	267,873,854	218,047,578	70,284,134	(705,277,931)	4,321,338,001
Deferred tax assets							1,675,633
Consolidated total assets							4,323,013,634
Segment liabilities (Note A)	1,682,846,819	805,581,545	105,416,482	62,353,830	36,321,634	(189,024,142)	2,503,496,168
Income tax payable							17,551,324
Deferred tax liabilities							1,869,221
Consolidated total liabilities							2,522,916,713
Other segment items							
Capital expenditure	147,932	152,499	887,426	1,259,073	212,850	–	2,659,780
Impairment loss of goodwill	–	–	618,708	–	–	–	618,708
Depreciation and amortisation expense	6,775,659	5,239,571	3,450,687	1,553,829	420,501	–	17,440,247
Finance expense	29,782,895	8,550,736	400,401	678,437	7,511	–	39,419,980

	Singapore $	Hong Kong $	Thailand $	Malaysia $	Others $	Elimination $	Total $
The Group							
2021							
Revenue							
- External sales	252,820,140	118,149,351	62,605,055	60,615,507	9,201,441	–	503,391,494
- Interest income	66,419,619	44,525,350	4,544,976	5,046,723	3,099,552	–	123,636,220
- Inter-segment sales	11,014,983	(302,818)	2,006,602	2,704,662	1,856,506	(17,279,935)	–
	330,254,742	162,371,883	69,156,633	68,366,892	14,157,499	(17,279,935)	627,027,714
Segment results	79,478,496	51,619,878	20,241,520	21,301,445	2,445,606	(1,497,032)	173,589,913
Profit before tax							173,589,913
Income tax expense							(19,756,701)
Profit after tax							153,833,212
Segment assets (Note A)	3,015,076,168	1,385,792,194	279,477,547	211,921,171	91,470,447	(464,083,332)	4,519,654,195
Deferred tax assets							1,511,575
Consolidated total assets							4,521,165,770
Segment liabilities (Note A)	1,896,829,194	835,801,428	114,471,203	61,717,981	54,276,404	(223,820,882)	2,739,275,328
Income tax payable							17,154,658
Deferred tax liabilities							2,201,299
Consolidated total liabilities							2,758,631,285
Other segment items							
Capital expenditure	821,188	1,301,386	1,331,706	1,516,481	132,825	–	5,103,586
Impairment loss of goodwill	–	–	240,967	–	–	–	240,967
Depreciation and amortisation expense	8,290,502	4,526,595	4,281,049	1,429,300	563,964	–	19,091,410
Finance expense	27,540,364	9,535,053	395,945	928,334	397,040	(1,375,900)	37,420,836

Note A

The Group operates mainly in the securities/futures broking and structured lending business. There are no other business segments that contribute more than 10% of the combined revenue, net profit or assets of all operating segments.

36 LISTING OF COMPANIES IN THE GROUP

Name of company	Principal activities	Country of incorporation	Proportion of ownership and voting power			
			Company		Subsidiaries	
			2022	2021	**2022**	2021
			%	%	**%**	%
Subsidiaries						
PT UOB Kay Hian Sekuritas [c]	Stockbroking	Indonesia	**99.0**	99.0	**–**	–
UOB Kay Hian Securities (Philippines), Inc. [c]	Stockbroking	Philippines	**100**	100	**–**	–
UOB Kay Hian Securities (Thailand) Public Company Limited [b]	Stockbroking	Thailand	**70.7**	70.7	**17.2**	17.2
UOB Kay Hian (U.K.) Limited [c]	Arranger	United Kingdom	**100**	100	**–**	–
UOB Kay Hian (U.S.) Inc. [c]	Stockbroking	United States of America	**100**	100	**–**	–
UOB Kay Hian Private Limited [a]	Stockbroking	Singapore	**100**	100	**–**	–
UOB Kay Hian Trading Pte Ltd [a]	Investment trading	Singapore	**100**	100	**–**	–
UOB Kay Hian (Malaysia) Holdings Sdn Bhd [b]	Under member's voluntary liquidation	Malaysia	**100**	100	**–**	–
UOB Kay Hian Overseas Limited [b]	Investment holding	Hong Kong, SAR	**100**	100	**–**	–
UOB Kay Hian Credit Pte Ltd [a]	Money lending	Singapore	**100**	100	**–**	–
Trans-Pacific Credit Private Limited [a]	Margin financing	Singapore	**100**	100	**–**	–
UOB Kay Hian Properties Pte Ltd [a]	Investment in Group office premises	Singapore	**100**	100	**–**	–
UOB Kay Hian Securities (M) Sdn Bhd [b]	Stockbroking	Malaysia	**100**	100	**–**	–
A.A. Anthony Securities Sdn Bhd [b]	Dormant	Malaysia	100	100	–	–
UOB Kay Hian Credit (M) Sdn Bhd [b]	Money lending	Malaysia	100	100	–	–
<u>Held by UOB Kay Hian Private Limited</u>						
UOB Kay Hian Nominees Pte Ltd [a]	Nominee services	Singapore	–	–	100	100
SIP UOB-Kay Hian Asset Management Co., Ltd [e]	Fund management	People's Republic of China	–	–	100	–

Name of company	Principal activities	Country of incorporation	Proportion of ownership and voting power: Company 2022 %	Company 2021 %	Subsidiaries 2022 %	Subsidiaries 2021 %
Subsidiaries						
Held by UOB Kay Hian Overseas Limited						
UOB Kay Hian (Hong Kong) Limited [(b)]	Stockbroking	Hong Kong, SAR	**–**	–	**100**	100
UOB Kay Hian Futures (Hong Kong) Limited [(b)]	Futures broking	Hong Kong, SAR	**–**	–	**100**	100
UOB Kay Hian Finance Limited [(b)]	Money lending	Hong Kong, SAR	**–**	–	**100**	100
UOB Kay Hian (BVI) Limited [(d)]	Investment holding	British Virgin Islands	**–**	–	**100**	100
UOB Kay Hian Investment Consulting (Shanghai) Company Limited [(b)]	Investment consulting and research services	People's Republic of China	**–**	–	**100**	100
Held by UOB Kay Hian Securities (M) Sdn Bhd						
UOB Kay Hian Nominees (Asing) Sdn Bhd [(b)]	Nominee services	Malaysia	–	–	100	100
UOB Kay Hian Nominees (Tempatan) Sdn Bhd [(b)]	Nominee services	Malaysia	–	–	100	100
UOB Kay Hian Wealth Advisors Sdn. Bhd. [(b)]	Wealth management	Malaysia	–	–	100	100

(a) Audited by Deloitte & Touche LLP, Singapore.

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(c) Audited by other auditors.

(d) Audit not required under the laws of the country of incorporation.

(e) Not audited as it is a newly incorporated wholly-owned subsidiary during the year.

Information about the composition of the Group at the end of the financial year is as follows:

(a) Wholly-owned subsidiaries

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		31 December 2022	31 December 2021
Stockbroking	Singapore	**1**	1
Stockbroking	Malaysia	**1**	1
Stockbroking	Philippines	**1**	1
Stockbroking	Hong Kong	**1**	1
Stockbroking	U.S.A	**1**	1
Arranger	U.K.	**1**	1
Investment Trading	Singapore	**1**	1
Investment Holding	BVI	**1**	1
Investment Holding	Hong Kong	**1**	1
Investment in Group office premises	Singapore	**1**	1
Investment Consulting and Research Services	China	**1**	1
Money Lending	Singapore	**1**	1
Money Lending	Hong Kong	**1**	1
Money Lending	Malaysia	**1**	1
Margin Financing	Singapore	**1**	1
Nominee Services	Singapore	**1**	1
Nominee Services	Malaysia	**2**	2
Futures Broking	Hong Kong	**1**	1
Wealth Management	Malaysia	**1**	1
Fund Management	China	**1**	-
Under Member's Voluntary Liquidation	Malaysia	**1**	1
Dormant	Malaysia	**1**	1
		23	22

(b) Non wholly-owned subsidiaries that have material non-controlling interests

Principal activity	Place of incorporation and operation	Proportion of ownership interests and voting right held by non-controlling interests		Number of non wholly-owned subsidiaries	
		31 December 2022	31 December 2021	**31 December 2022**	31 December 2021
Stockbroking	Thailand	**12.1%**	12.1%	**1**	1

Summarised financial information in respect of UOB Kay Hian Securities (Thailand) Public Company Limited, a subsidiary that has material non-controlling interest, is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	UOB Kay Hian Securities (Thailand) Public Company Limited	
	31 December 2022	31 December 2021
	$	$
Current assets	**249,013,503**	261,658,854
Non-current assets	**19,975,357**	18,875,403
Current liabilities	**(103,263,898)**	(116,064,983)
Non-current liabilities	**(4,063,230)**	(1,241,298)
Equity attributable to owners of the company	**142,116,829**	143,493,714
Non-controlling interests	**19,544,903**	19,734,262
Revenue	**53,797,342**	69,156,963
Expenses	**(45,256,166)**	(53,196,692)
Profit for the year	**8,541,176**	15,960,271
Profit attributable to owners of the company	**7,508,548**	14,030,674
Profit attributable to the non-controlling interests	**1,032,628**	1,929,597
Profit for the year	**8,541,176**	15,960,271
Other comprehensive loss attributable to owners of the company	**(5,845,952)**	(11,965,483)
Other comprehensive loss attributable to the non-controlling interests	**(803,976)**	(1,656,424)
Other comprehensive loss for the year	**(6,649,928)**	(13,621,907)
Total comprehensive income attributable to owners of the company	**1,662,596**	2,065,191
Total comprehensive income attributable to the non-controlling interests	**228,652**	273,173
Total comprehensive income for the year	**1,891,248**	2,338,364
Dividends paid to non-controlling interests	**(407,611)**	(254,757)
Net cash outflow from operating activities	**(13,581,838)**	(13,470,695)
Net cash outflow from investing activities	**(822,621)**	(1,373,528)
Net cash outflow from financing activities	**(5,223,396)**	(4,371,556)
Net cash outflow	**(19,627,855)**	(19,215,779)

37 EMPLOYEE BENEFIT OBLIGATIONS

The subsidiaries of the Group operate post-employment benefit plans under their respective local legislations, which are considered as unfunded defined benefit plans.

Amounts recognised in accrued operating expenses (Note 19) in respect of the Group's defined benefit plans are as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
Present value of unfunded obligations	**6,698,311**	6,464,713
Net liability recognised in statement of financial position	**6,698,311**	6,464,713

Amounts recognised in statement of profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

	The Group	
	2022	2021
	$	$
Service cost:		
Current service cost	**844,395**	925,486
Past service cost	**1,163**	(310,750)
Net interest expense	**127,670**	136,713
Components of employee benefit costs recognised in profit or loss	**973,228**	751,449
Remeasurement on the net defined benefit liability:		
Actuarial gains arising from changes in financial assumptions	**(28,379)**	(23,762)
Actuarial gains arising from changes in experience adjustments	**(75,491)**	(88,041)
Components of defined benefit costs recognised in other comprehensive income	**(103,870)**	(111,803)
Exchange differences on foreign plans	**(337,007)**	(450,464)
Total	**532,351**	189,182

Changes in the present value of the defined benefit obligation are as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
Opening defined benefit obligation	**6,464,713**	6,708,391
Current service cost	**844,395**	925,486
Past service cost, including gain on curtailments	**1,163**	(310,750)
Net interest expense	**127,670**	136,713
Remeasurement on the net defined benefit liability	**(103,870)**	(111,803)
Exchange differences on foreign plans	**(337,007)**	(450,464)
Benefits paid	**(298,753)**	(432,860)
Closing defined benefit obligation	**6,698,311**	6,464,713

The principal assumptions used for the purpose of actuarial valuations are as follows:

	The Group	
	31 December 2022	31 December 2021
	$	$
Financial assumptions		
Discount rates	**1.02% - 7.30%**	1.02% - 7.30%
Expected rates of salary increase	**0.00% - 7.00%**	0.00% - 7.00%
Retirement ages	**55 to 60 years**	55 to 60 years
Turnover rates	**0% - 23%**	0% to 23%

Significant actuarial assumptions for the determination of the defined obligation are discount rates, expected rates of salary increase and turnover rates. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

- If the discount rate increases (decreases) by 1%, the defined benefit obligation would decrease by $407,154 or increase by $463,320 (31 December 2021 : decrease by $421,776 or increase by $480,671).

- If the expected rate of salary increases (decreases) by 1%, the defined benefit obligation would increase by $564,451 or decrease by $379,151 (31 December 2021 : increase by $517,647 or decrease by $346,733).

- If the turnover rate increases (decreases) by 1%, the defined benefit obligation would decrease by $422,585 or increase by $245,959 (31 December 2021 : decrease by $437,438 or increase by $259,165).

- If the life expectancy increases (decreases) by 1%, the defined benefit obligation would increase by $17,591 or decrease by $17,519 (31 December 2021 : increase by $17,960 or decrease by $17,885).

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

38 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the Group and Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

<u>Effective for annual periods beginning on or after 1 January 2023</u>

- Amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2: Disclosure of Accounting Policies*

- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

<u>Effective for annual periods beginning on or after 1 January 2024</u>

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants

- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

ANALYSIS OF SHAREHOLDINGS

As At 16 March 2023

No. of issued shares (Excluding Treasury Shares)	:	884,299,427
Class of Shares	:	Ordinary Shares
Number/Percentage of Treasury Shares	:	3,716,000 (0.42%)
No. of subsidiary holdings shares	:	Nil
Voting rights (Excluding Treasury Shares & Subsidiary Holdings)	:	One vote for each ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	238	2.40	9,858	0.00
100 - 1,000	987	9.94	677,953	0.08
1,001 - 10,000	6,421	64.67	28,480,612	3.22
10,001 - 1,000,000	2,255	22.71	94,670,215	10.71
1,000,001 & ABOVE	28	0.28	760,460,789	85.99
TOTAL	**9,929**	**100.00**	**884,299,427**	**100.00**

TOP TWENTY SHAREHOLDERS AS AT 16 MARCH 2023

	NAME	NO. OF SHARES	%
1	TYE HUA NOMINEES (PTE) LTD	313,360,043	35.44
2	U.I.P. HOLDINGS LIMITED	188,306,346	21.29
3	UOB KAY HIAN PTE LTD	106,038,632	11.99
4	TANG WEE LOKE	40,217,504	4.55
5	CITIBANK NOMINEES SINGAPORE PTE LTD	22,523,468	2.55
6	DBS NOMINEES PTE LTD	16,286,407	1.84
7	RAFFLES NOMINEES(PTE) LIMITED	13,162,283	1.49
8	UNITED OVERSEAS BANK NOMINEES PTE LTD	10,534,402	1.19
9	LIM AND TAN SECURITIES PTE LTD	10,166,458	1.15
10	OCBC NOMINEES SINGAPORE PTE LTD	5,261,367	0.59
11	PHILLIP SECURITIES PTE LTD	4,002,495	0.45
12	ANG JWEE HERNG	3,409,755	0.38
13	LAU MEI LEA	2,888,025	0.33
14	LAI CHOY KUEN	2,872,568	0.32
15	TUNG TAU CHYR WALTER	2,542,422	0.29
16	CHEN CHUN NAN	2,327,319	0.26
17	HAI SIA SEAFOOD PTE LTD	2,167,149	0.25
18	JINLI INVESTMENT PTE LTD	1,915,943	0.22
19	CHANG WEE LIN	1,734,026	0.20
20	MAYBANK SECURITIES PTE. LTD.	1,533,869	0.17
		751,250,481	**84.95**

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	%
United Overseas Bank Limited	–	–	313,360,043 [(1)]	35.44
U.I.P. Holdings Limited	188,306,346	21.29	–	–
Wee Ee Chao	–	–	292,581,965 [(2)]	33.09
K.I.P. Inc	–	–	104,275,619 [(3)]	11.79

Notes:
(1) United Overseas Bank Limited's deemed interest arises from 313,360,043 shares held by Tye Hua Nominees Private Limited
(2) Mr. Wee Ee Chao's deemed interest arises from 188,306,346 shares held by U.I.P. Holdings Limited and 104,275,619 shares held by UOB Kay Hian Private Limited - K.I.P. Inc
(3) K.I.P. Inc's deemed interest arises from 104,275,619 shares registered in the name of UOB Kay Hian Private Limited

PUBLIC FLOAT

Based on available information as at 16 March 2023, approximately 26.48% of issued shares of the Company are held by the public and Rule 723 of the SGX-ST Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at the Auditorium, 8 Anthony Road, Singapore 229957 on Thursday, 27 April 2023 at 5:30 p.m. to transact the business as set out below:

This notice has been made available on SGXNET and the Company's website at www.uobkayhian.com. Printed copies of this notice will not be dispatched to members.

ROUTINE BUSINESS

1. To receive and adopt the directors' statement and audited financial statements for the year ended 31 December 2022 and the independent auditors' report thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of 6.0 cents per ordinary share for the year ended 31 December 2022. **(Resolution 2)**

3. To approve the sum of S$280,315 as directors' fees for the financial year ended 31 December 2022. (2021: S$289,322) **(Resolution 3)**

4a. To re-elect Mr. Kuah Boon Wee, a director who will retire by rotation pursuant to Regulation 91 of the Company's Constitution and who, being eligible, will offer himself for re-election.

Note: Mr. Kuah Boon Wee is a non-executive independent director, the chairman of the audit committee and a member of the remuneration committee. Upon his re-election as a director, he will continue in the said capacities. Detailed information on Mr. Kuah is set out in the "Corporate Information" and "Profile of Directors & Key Management Personnel" sections in the Annual Report and "Additional Information on Directors Seeking Re-election" in this notice. **(Resolution 4)**

4b. To record the retirement of Mr. Yeow David, a director who will retire by rotation pursuant to Regulation 91 of the Company's Constitution and who will not be seeking for re-election.

Note: Upon the retirement of Mr. Yeow David as a non-executive independent director, he will cease to be a member of the audit committee.

5. To re-appoint Deloitte & Touche LLP as auditors of the Company and to authorise the directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following resolutions as ordinary resolutions:

6. <u>Authority to allot and issue shares and convertible securities</u>

That pursuant to Section 161 of the Companies Act 1967 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time and from time to time thereafter to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided always that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, of which the aggregate number of shares and convertible securities to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company as at the date of the passing of this resolution, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of convertible securities or exercise of share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 6)**

7 Authority to allot and issue shares pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme

That pursuant to Section 161 of the Companies Act 1967, the directors of the Company be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme. **(Resolution 7)**

8. Renewal of Share Buyback Mandate

All capitalised terms in this resolution which are not defined herein shall have the same meanings ascribed to them in the Addendum to Shareholders dated 11 April 2023.

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding any Shares which are held as treasury shares or which comprise subsidiary holdings, if any, as at that date) (the "**Maximum Percentage**"), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price, whether by way of:

(i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited through the ready market, and which may be transacted through the Company's subsidiary, a licensed stockbroker, or through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases, otherwise than on an approved exchange as defined in the Companies Act, in accordance with an equal access scheme(s) as may be determined or formulated by the directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual,

on the terms set out in the Addendum, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buyback Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting is held or required by law to be held; or

(ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting, whichever is earlier; or

(iii) the date on which the share buybacks are carried out to the full extent mandated; and

(c) the directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the transactions contemplated and/or authorised by this resolution.

(Resolution 8)

By Order of the Board

Siau Kuei Lian
Shirley Tan Sey Liy
Company Secretaries
Singapore, 11 April 2023

Explanatory notes and statements pursuant to Regulation 54 of the Company's Constitution

Resolution 2, if passed, will give the members the option to elect to receive New Shares in lieu of all or part only of the cash amount of any Dividend declared on their holding of Shares (after the deduction of applicable income tax) pursuant to the terms and conditions as set out in the Scrip Dividend Scheme Statement dated 11 August 2022.

Resolution 6 is to authorise the directors from the date of this meeting until the date of the next annual general meeting, to allot and issue shares and convertible securities in the Company. The aggregate number of shares and convertible securities which the directors may allot and issue under this resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed. For issues of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this resolution is passed.

Resolution 7, if passed, is to empower the directors to allot and issue new shares in the Company from time to time, as may be required pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme.

Resolution 8, if passed, is to renew the Share Buyback Mandate. In the event the Company were to purchase or acquire its Shares, the Company will use internal cash resources and/or external borrowings to finance the purchase or acquisition of those Shares. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the directors of the Company will, principally, consider the availability of internal resources. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice as these will depend on whether the Shares are purchased or acquired out of capital or profits, the number of Shares purchased or acquired, the price at which such Shares are purchased or acquired and whether the Shares purchased or acquired are held in treasury or cancelled.

An illustration of the total number of Shares which may be purchased or acquired by the Company up to the Maximum Percentage, pursuant to the Share Buyback Mandate, is contained in section 2.3.1 of the Addendum.

An illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Percentage at the relevant Maximum Price in the case of on-market purchases and an illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Percentage at the relevant Maximum Price in the case of off-market purchases, pursuant to the Share Buyback Mandate, are contained in section 2.7.3 of the Addendum.

An illustration of the financial effects of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and its subsidiaries, for the year ended 31 December 2022 is set out in section 2.7 of the Addendum.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting ("**AGM**") is entitled to appoint a proxy to attend and vote on his/her behalf. Please bring along your NRIC/Passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

2. (a) A member who is not a Relevant intermediary is entitled to appoint one or two proxies to attend, speak and vote at the AGM of the Company.

   Where such member appoints 2 proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

   (b) A member who is a Relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. A proxy need not be a member of the Company.

4. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.

5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) if submitted by post or personally, be lodged with the Company's registered address at 8 Anthony Road #01-01 Singapore 229957; or

   (b) if submitted electronically, be submitted via email to the Company's registered email at ProxyForms2023@uobkayhian.com

   by 5:30 p.m. 24 April 2023 (being seventy-two (72) hours before the time appointed for holding the AGM of the Company) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

7. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**") at least seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the. In view of Section 81SJ(4) of the Securities and Futures Act 2001, Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP (seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM.

8. Members may submit questions relating to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 5:30 p.m. on 18 April 2023 so that relevant and substantial questions may be addressed during the AGM proceedings:

   (a) by email to: AGM2023@uobkayhian.com; or

   (b) in hard copy by post to 8 Anthony Road #01-01 Singapore 229957.

   The Company will address the responses pertaining to the substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members on or before 5.30 p.m. on 22 April 2023 (48 hours prior to the closing date and time for the lodgement of the proxy forms) via SGXNET and the Company's website at www.uobkayhian.com. In the event that subsequent questions are received after 5.30 p.m. 18 April 2023, such questions may be addressed at the AGM, along with live questions asked at the physical meeting.

   Shareholders or their corporate representative must state his/her full name, identification/registration number and whether he/she is a shareholder or a corporate representative of a corporate shareholder. Any question without the identification details will not be addressed.

9. The Annual Report for the financial year ended 31 December 2022 and the Addendum to Shareholders dated 11 April 2023 in relation to the proposed renewal of the Share Buyback Mandate have been made available on SGXNET and may be accessed at the Company's website as follows:

   (a) the Annual Report at https://ir2.chartnexus.com/uobkh/doc/AR/ar2022.pdf; and

   (b) the Addendum to Shareholders at https://ir2.chartnexus.com/uobkh/doc/ADD/2023.pdf.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) or the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal date by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and

(v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/RE-ELECTION

The following additional information on Mr. Kuah Boon Wee, who is seeking re-appointment/re-election as director at the annual general meeting, is to be read in conjunction with his respective key information as set out in the "Corporate Information" and "Profile of Directors & Key Management Personnel" sections of the annual report on pages 2 and 37 to 39.

	Kuah Boon Wee **Non-Executive** **Independent Director**
Date of appointment	3 May 2016
Date of last re-appointment	28 April 2020
Age	57
Country of principal residence	Singapore
The Board's comments on this re-appointment/re-election	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the qualification, work experience and suitability of Mr. Kuah Boon Wee for re-appointment as a Non-Executive Independent Director. The Board have reviewed and concluded that Mr. Kuah Boon Wee possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Working experience and occupation(s) during the past 10 years	**2016 to Present** UOB-Kay Hian Holdings Limited - Non-Executive Independent Director of **2010 to Present** MTQ Corporation Limited - Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments Including Directorships	Council Member of the Singapore Chinese Chamber of Commerce & Industry Council member of the Singapore National Employers Federation Non-executive Director, The Hour Glass Limited

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

PROXY FORM

UOB-KAY HIAN HOLDINGS LIMITED
(Incorporated In The Republic Of Singapore)
Company Registration No. 200004464C

PROXY FORM

IMPORTANT
1. A relevant intermediary may appoint more than 2 proxies to attend the Annual General Meeting and vote (Relevant Intermediary has the meaning ascribed to it in Section 181 of the Companies Act 1967).
2. For CPF/SRS investors who have used their CDF/SRS monies to buy the Company's shares, this Proxy Form is NOT VALID for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors should contact their respective CPF Agents Banks or SRS Operators to submit their votes and specify their voting instructions and to ensure that their votes are submitted, at least seven (7) working days by 5:30 p.m. on 17 April 2023 before the AGM and contact their CPF Approved Nominees if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representatives, a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.
4. Please read the notes to the proxy form.

*I/We, ______________________ (Full Name), ______________ (NRIC no./Passport No./Company No.)

of ____ (Full Address)
being a *member/members of UOB-Kay Hian Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No of Shares	%
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held The Auditorium, 8 Anthony Road, Singapore 229957 on Thursday, 27 April 2023 at 5:30 p.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or to abstain from voting on the resolution(s) proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

The Proxy Form is made available on SGXNet and the Company's corporate website.

Note: Please indicate with an "√" or number of votes in the spaces provided whether you wish your vote(s) to be cast for or against or abstain the resolutions as set out in the Notice of AGM. If you mark the abstain box for a particular resolution, you are directing the proxy(ies) or Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Resolutions	No. of Votes For*	No. of Votes Against*	No. of Votes Abstaining*
1	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Independent Auditors' Report thereon			
2	To declare a first and final one-tier tax exempt dividend of 6.0 cents per ordinary share for the financial year ended 31 December 2022			
3	To approve Directors' Fees of S$280,315 for the financial year ended 31 December 2022			
4	To re-elect Mr. Kuah Boon Wee as a Director			
5	To re-appoint Deloitte & Touche LLP as Company's Auditors and to authorise the Directors to fix their remuneration			
6	To authorise the directors to allot and issue shares and convertible securities			
7	To authorise the directors to allot and issue shares pursuant to the UOB-Kay Hian Holdings Limited Scrip Dividend Scheme			
8	To approve the Proposed Renewal of the Share Buyback Mandate			

Dated this ________ day of ______________ 2023

Total Number Of Ordinary Shares Held

____
Signature(s) of Member(s) or Common Seal
IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" means:

   (a) A banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or

   (c) The Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 8 Anthony Road #01-01 Singapore 229957 or via email to ProxyForms2023@uobkayhian.com or by post to 8 Anthony Road #01-01 Singapore 229957 by 5:30 p.m. 24 April 2023 (being seventy-two (72) hours before the time appointed for holding the Meeting AGM of the Company).

6. Completion and return of the instrument appointing a proxy or proxies by a member shall not preclude him from attending and voting at the AGM if he so wishes. Any appointment of a proxy or proxies by a member shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

7. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument of proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) or the Chairman of the AGM as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2023.

UOBKayHian
Your trusted financial partner