



## Overseas Union Securities Limited

(Incorporated in Singapore)

### Third Quarter 2003 Financial Statement Announcement

#### PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

##### 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated income statement for the nine months/third quarter ended 30 September 2003

	Group					
	9 mths 2003 \$'000	9 mths 2002 \$'000	Incr / (Decr) %	3Q 2003 \$'000	3Q 2002 \$'000	Incr / (Decr) %
Profit/(loss) on sale of non-current investments	721	5,684	(87.3)	279	(391)	nm
Profit/(loss) on sale of trading securities	362	14	nm	209	(40)	nm
Profit/(loss) on sale of investments	1,083	5,698	(81.0)	488	(431)	nm
Dividends	2,427	1,778	36.5	826	516	60.1
Other operating income						
Interest income	422	424	(0.5)	250	115	117.4
Foreign exchange gain/(loss)	116	(182)	nm	39	(29)	nm
Operating revenue	4,048	7,718	(47.6)	1,603	171	837.4
Operating expenses	(930)	(908)	2.4	(350)	(246)	42.3
<b>Operating profit/(loss)</b>	<b>3,118</b>	<b>6,810</b>	<b>(54.2)</b>	<b>1,253</b>	<b>(75)</b>	<b>nm</b>
Writeback of provision/(provision) for diminution in value of trading securities	797	(717)	nm	324	(496)	nm
<b>Profit/(loss) before tax</b>	<b>3,915</b>	<b>6,093</b>	<b>(35.7)</b>	<b>1,577</b>	<b>(571)</b>	<b>nm</b>
Tax	(670)	(1,433)	(53.2)	(454)	74	nm
<b>Net profit/(loss)</b>	<b>3,245</b>	<b>4,660</b>	<b>(30.4)</b>	<b>1,123</b>	<b>(497)</b>	<b>nm</b>

nm : not meaningful

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

	Group		Company	
	As at 30/09/2003 \$'000	As at 31/12/2002 \$'000	As at 30/09/2003 \$'000	As at 31/12/2002 \$'000
<b>Non-current assets</b>				
Investment in subsidiary	-	-	5,000	5,000
Investments	92,220	75,524	92,220	75,524
	<u>92,220</u>	<u>75,524</u>	<u>97,220</u>	<u>80,524</u>
<b>Current assets</b>				
Trading securities	6,021	3,055	-	-
Balances/deposits with holding company	1,820	6,403	1,301	5,258
Bank balances with fellow subsidiary company	5	341	2	339
Balances/deposits with other banks	67	4,020	50	2,949
Deposits with other financial institutions	49	1,162	49	1,013
Amount due from subsidiary company (non-trade)	-	-	44	53
Trade debtors	753	-	646	-
Other assets	355	344	355	322
	<u>9,070</u>	<u>15,325</u>	<u>2,447</u>	<u>9,934</u>
<b>Total assets</b>	<u>101,290</u>	<u>90,849</u>	<u>99,667</u>	<u>90,458</u>
<b>Current liabilities</b>				
Amount due to fellow subsidiary company	239	218	239	218
Amount due to holding company	11	-	8	-
Trade creditors	63	-	-	-
Provision for tax	341	984	136	984
Other liabilities	413	251	387	236
	<u>1,067</u>	<u>1,453</u>	<u>770</u>	<u>1,438</u>
<b>Net current assets</b>	<u>8,003</u>	<u>13,872</u>	<u>1,677</u>	<u>8,496</u>
<b>Non-current liability</b>				
Provision for deferred tax	3,756	2,285	3,316	1,845
<b>Total liabilities</b>	<u>4,823</u>	<u>3,738</u>	<u>4,086</u>	<u>3,283</u>
	<u>96,467</u>	<u>87,111</u>	<u>95,581</u>	<u>87,175</u>
<b>Shareholders' equity</b>				
Share capital	39,063	39,063	39,063	39,063
Investment fluctuation reserve	-	24,391	-	24,391
Unrealised surplus/(deficit) on revaluation of investments	8,217	(285)	8,217	(285)
Retained profits	49,187	23,942	48,301	24,006
	<u>96,467</u>	<u>87,111</u>	<u>95,581</u>	<u>87,175</u>

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

**Composition of Net Assets**

	Group			
	<u>30/09/2003</u>		<u>31/12/2002</u>	
	\$'000	%	\$'000	%
Quoted equities and warrants	73,123	75.8	63,174	72.5
Quoted fixed income and other securities	19,097	19.8	12,350	14.2
Trading securities	6,021	6.2	3,055	3.5
Cash and net (payables)/receivables	(1,774)	(1.8)	8,532	9.8
Total	<u>96,467</u>	<u>100.0</u>	<u>87,111</u>	<u>100.0</u>

**Group Total Assets by Currency Mix**

	<u>30/09/2003</u>		<u>31/12/2002</u>
	%		%
Singapore Dollar	43.3		63.0
United States Dollar	23.4	*	9.1
Korean Won	8.5		3.2
Euro	6.0		1.7
Hong Kong Dollar	5.7		8.9
Japanese Yen	4.2		2.7
Malaysian Ringgit	2.7		4.4
Australian Dollar	2.7		2.5
Taiwan Dollar	1.9		2.2
Others	1.6		2.3
	<u>100.0</u>		<u>100.0</u>

\* the USD currency holdings as at 30/09/2003 have been hedged against SGD, reducing the exposure from 23.4% to 19.7%.

**Country Mix of Quoted Equities and Warrants**

	<u>30/09/2003</u>		<u>31/12/2002</u>
	%		%
Singapore	52.4		57.7
United States	12.8		3.4
South Korea	11.0		6.7
Japan	5.5		3.8
Hong Kong	5.0		11.0
Malaysia	3.7		5.7
Australia	3.6		3.2
Taiwan	2.0		2.9
Europe	1.5		3.0
Others	2.5		2.6
	<u>100.0</u>		<u>100.0</u>

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

**Industry Mix of Quoted Equities and Warrants**

	30/09/2003	31/12/2002
	%	%
Industrial & Commercial	62.9	55.0
Finance	24.6	27.8
Properties	6.9	10.9
Hotel	5.6	6.3
	<u>100.0</u>	<u>100.0</u>

**Ten Largest Investment Holdings as at 30/09/2003**

	As % of Group <u>Net Assets</u>
Oversea-Chinese Banking Corporation Ltd	7.2
Singapore Press Holdings Ltd	6.3
DBS Group Holdings Ltd	4.7
Overseas Union Enterprise Ltd	4.0
City Developments Ltd	4.0
Singapore Airlines Ltd	3.3
Singapore Technologies Engineering Ltd	3.2
Hyundai Motor Company Ltd	3.2
Venture Corporation Ltd	2.7
CDL Properties Ltd Bonds 4.815% due 31-01-2006	1.9

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

**Amount repayable after one year**

As at 30/09/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

**Details of any collateral**

Not applicable

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

Consolidated cash flow statement for the nine months ended 30 September 2003

	Group	
	9 mths	9 mths
	<u>2003</u>	<u>2002</u>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net profit before tax	3,915	6,093
Adjustment for:		
Profit on sale of non-current investments	(721)	(5,684)
Dividend income	(2,427)	(1,778)
Interest income	(422)	(424)
(Writeback of provision)/provision for diminution in value of trading securities	(797)	717
Dividend received	2,668	1,685
Interest received	<u>207</u>	<u>569</u>
Operating cash flow before working capital changes	2,423	1,178
Changes in working capital:		
Trading securities	(2,169)	(2,053)
Trade debtors and other assets	(165)	-
Amount due to holding & fellow subsidiary companies	32	9
Trade creditors and other liabilities	<u>224</u>	<u>(90)</u>
Cash generated from/(used in) operations	345	(956)
Income tax paid	<u>(1,267)</u>	<u>(338)</u>
<b>Net cash outflow from operating activities</b>	(922)	(1,294)
<b>Cash flows from investing activities</b>		
Purchase of non-current investments	(34,587)	(32,117)
Proceeds from sale of non-current investments	<u>27,915</u>	<u>22,949</u>
<b>Net cash outflow from investing activities</b>	(6,672)	(9,168)
<b>Cash flows from financing activities</b>		
Dividend paid	<u>(2,391)</u>	<u>(2,391)</u>
<b>Net cash outflow from financing activities</b>	(2,391)	(2,391)
<b>Net decrease in cash and cash equivalents</b>	(9,985)	(12,853)
Cash and cash equivalents at the beginning of the financial period	11,926	22,657
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>1,941</u></u>	<u><u>9,804</u></u>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Share capital \$'000	Investment fluctuation reserve \$'000	Unrealised surplus/ (deficit) on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
<b><u>Group</u></b>						
Balance at 1 January 2003						
- as previously stated	39,063	24,391	(285)	1,176	22,766	87,111
- effect of adopting FRS 21	-	-	-	(1,176)	1,176	-
- as restated	39,063	24,391	(285)	-	23,942	87,111
Revaluation surplus	-	-	5,683	-	-	5,683
Deferred tax on revaluation	-	-	(1,090)	-	-	(1,090)
Net gain not recognised in income statement	-	-	4,593	-	-	4,593
Net profit	-	-	-	-	2,122	2,122
Total recognised gains for the financial period	-	-	4,593	-	2,122	6,715
Transfer to retained profits *	-	(24,391)	-	-	24,391	-
Dividend for 2002	-	-	-	-	(1,172)	(1,172)
Balance at 30 June 2003	39,063	-	4,308	-	49,283	92,654
Balance at 1 July 2003	39,063	-	4,308	-	49,283	92,654
Revaluation surplus	-	-	4,265	-	-	4,265
Deferred tax on revaluation	-	-	(356)	-	-	(356)
Net gain not recognised in income statement	-	-	3,909	-	-	3,909
Net profit	-	-	-	-	1,123	1,123
Total recognised gains for the financial period	-	-	3,909	-	1,123	5,032
Dividend for 2003	-	-	-	-	(1,219)	(1,219)
Balance at 30 September 2003	39,063	-	8,217	-	49,187	96,467

\* Following the repeal of Division 1 of Part XI of the Companies Act, Cap. 50, relating to Investment Companies which took effect on 15 May 2003, the balance in the Investment Fluctuation Reserve (IFR) account was transferred to Retained Profits. The IFR account was maintained to record the Company's net realised profits from the sale of investments held as non-current assets prior to 1 January 1994.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)**

	Share capital \$'000	Investment fluctuation reserve \$'000	Unrealised surplus/ (deficit) on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
<b><u>Group</u></b>						
Balance at 1 January 2002						
- as previously stated	39,063	24,391	13,267	1,298	21,406	99,425
- effect of adopting FRS 21	-	-	-	(1,298)	1,298	-
- as restated	39,063	24,391	13,267	-	22,704	99,425
Revaluation deficit	-	-	(6,467)	-	-	(6,467)
Deferred tax on revaluation	-	-	1,337	-	-	1,337
Net loss not recognised in income statement	-	-	(5,130)	-	-	(5,130)
Net profit	-	-	-	-	5,157	5,157
Total recognised gains and losses for the financial period	-	-	(5,130)	-	5,157	27
Dividend for 2001	-	-	-	-	(1,172)	(1,172)
Balance at 30 June 2002	39,063	24,391	8,137	-	26,689	98,280
Balance at 1 July 2002	39,063	24,391	8,137	-	26,689	98,280
Revaluation deficit	-	-	(10,540)	-	-	(10,540)
Deferred tax on revaluation	-	-	1,025	-	-	1,025
Net loss not recognised in income statement	-	-	(9,515)	-	-	(9,515)
Net loss	-	-	-	-	(497)	(497)
Total recognised losses for the financial period	-	-	(9,515)	-	(497)	(10,012)
Dividend for 2002	-	-	-	-	(1,219)	(1,219)
Balance at 30 September 2002	39,063	24,391	(1,378)	-	24,973	87,049

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)**

	Share capital \$'000	Investment fluctuation reserve \$'000	Unrealised surplus/ (deficit) on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
<b><u>Company</u></b>						
Balance at 1 January 2003						
- as previously stated	39,063	24,391	(285)	1,176	22,830	87,175
- effect of adopting FRS 21	-	-	-	(1,176)	1,176	-
- as restated	39,063	24,391	(285)	-	24,006	87,175
Revaluation surplus	-	-	5,683	-	-	5,683
Deferred tax on revaluation	-	-	(1,090)	-	-	(1,090)
Net gain not recognised in income statement	-	-	4,593	-	-	4,593
Net profit	-	-	-	-	1,462	1,462
Total recognised gains for the financial period	-	-	4,593	-	1,462	6,055
Transfer to retained profits *	-	(24,391)	-	-	24,391	-
Dividend for 2002	-	-	-	-	(1,172)	(1,172)
Balance at 30 June 2003	39,063	-	4,308	-	48,687	92,058
Balance at 1 July 2003	39,063	-	4,308	-	48,687	92,058
Revaluation surplus	-	-	4,265	-	-	4,265
Deferred tax on revaluation	-	-	(356)	-	-	(356)
Net gain not recognised in income statement	-	-	3,909	-	-	3,909
Net profit	-	-	-	-	833	833
Total recognised gains for the financial period	-	-	3,909	-	833	4,742
Dividend for 2003	-	-	-	-	(1,219)	(1,219)
Balance at 30 September 2003	39,063	-	8,217	-	48,301	95,581

\* Following the repeal of Division 1 of Part XI of the Companies Act, Cap. 50, relating to Investment Companies which took effect on 15 May 2003, the balance in the Investment Fluctuation Reserve (IFR) account was transferred to Retained Profits. The IFR account was maintained to record the Company's net realised profits from the sale of investments held as non-current assets prior to 1 January 1994.



**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)**

	Share capital \$'000	Investment fluctuation reserve \$'000	Unrealised surplus/ (deficit) on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
<b><u>Company</u></b>						
Balance at 1 January 2002						
- as previously stated	39,063	24,391	13,267	1,298	20,841	98,860
- effect of adopting FRS 21	-	-	-	(1,298)	1,298	-
- as restated	39,063	24,391	13,267	-	22,139	98,860
Revaluation deficit	-	-	(6,467)	-	-	(6,467)
Deferred tax on revaluation	-	-	1,337	-	-	1,337
Net loss not recognised in income statement	-	-	(5,130)	-	-	(5,130)
Net profit	-	-	-	-	5,346	5,346
Total recognised gains and losses for the financial period	-	-	(5,130)	-	5,346	216
Dividend for 2001	-	-	-	-	(1,172)	(1,172)
Balance at 30 June 2002	39,063	24,391	8,137	-	26,313	97,904
Balance at 1 July 2002	39,063	24,391	8,137	-	26,313	97,904
Revaluation deficit	-	-	(10,540)	-	-	(10,540)
Deferred tax on revaluation	-	-	1,025	-	-	1,025
Net loss not recognised in income statement	-	-	(9,515)	-	-	(9,515)
Net profit	-	-	-	-	38	38
Total recognised gains and losses for the financial period	-	-	(9,515)	-	38	(9,477)
Dividend for 2002	-	-	-	-	(1,219)	(1,219)
Balance at 30 September 2002	39,063	24,391	(1,378)	-	25,132	87,208

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

Nil

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard**

The interim financial information for the nine months ended 30 September 2003 have been reviewed in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

The auditors' report is appended at the end of the Announcement.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except as described in paragraph 5.

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

With effect from 1 January 2003, the Company has changed its accounting policy to comply with Financial Reporting Standard ("FRS") 21 The Effects of Changes in Foreign Exchange Rates, which requires exchange differences on translation of foreign currency monetary assets and liabilities to be recognised in the income statement. Prior to 1 January 2003, exchange differences arising from the translation of foreign currency deposits of the Company were taken directly to reserves. The change in accounting policy has been applied retrospectively and the comparatives have been restated to conform to the changed policy.

The adjustments made to the comparative figures are as follows:

	<u>Group &amp; Company</u> \$'000
Decrease in net profit after tax for:-	
- third quarter 2002	(16)
- nine months ended 30 September 2002	(134)
Decrease in exchange fluctuation reserve as at 31 December 2002	(1,176)
Increase in retained profits as at 31 December 2002	1,176

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

		<u>Group</u>			
		9 mths <u>2003</u>	9 mths <u>2002</u>	3Q <u>2003</u>	3Q <u>2002</u>
		Cents	Cents	Cents	Cents
<b>Earnings per share *</b>					
(a)	Based on the weighted average number of ordinary shares in issue	11.08	15.91	11.50	(5.09)
(b)	On a fully diluted basis	11.08	15.91	11.50	(5.09)

\* Annualised

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial period**

	Group		Company	
	30/09/2003	31/12/2002	30/09/2003	31/12/2002
	\$	\$	\$	\$
Net asset value per share	2.47	2.23	2.45	2.23

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

9 months 2003 vs 9 months 2002

The Group recorded an after-tax profit of \$3.2 million for the nine months ended 30 September 2003, representing a decline of \$1.5 million or 30.4% over the \$4.7 million profit for the same period last year. The drop in profit was mainly attributed to lower profit on sale of investments due to the gain on sale of UOB shares in last year. This was partially offset by a writeback of provision for diminution in value of trading securities by the subsidiary as against a provision made for the corresponding period last year, lower income tax provision and higher dividend income. As a result, earnings per share on an annualised basis dipped to 11.08 cents from 15.91 cents for the nine months of 2002.

Group shareholders' funds increased by \$9.4 million from \$87.1 million as at last year-end to \$96.5 million, largely from the unrealised revaluation gain on non-current investments due to higher market prices. Consequently, Group net asset value per share increased 10.8% to \$2.47 from \$2.23 as at last year-end.

The net asset value per share of \$2.47 as at 30 September 2003 is after factoring in dividend payments of \$2.4 million in May and August 2003. Without taking into account the dividend payments, the net asset value would have been \$2.53 per share, representing an increase of 13.5% over last year-end.

Third Quarter 2003 vs Third Quarter 2002

The Group recorded an after-tax profit of \$1.1 million for the third quarter of 2003 as compared to an after-tax loss of \$0.5 million for the same quarter last year. The increase in profit of \$1.6 million was mainly due to profit on sale of investments as compared to loss for the same quarter last year, writeback of provision for diminution in value of trading securities by the subsidiary and higher dividend income. These were however, partially offset by higher income tax provision.

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

Not applicable.

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

Despite the rise in bond yields and the run in the equity markets, the valuation of equities is still more attractive than bonds, although not to the same extent as in the previous quarter. There are still concerns that the recovery may not gain momentum because of the large imbalances in the US economy. The high consumer debt, low savings ratios and the very large and growing trade deficit are fundamental distortions to the US economy which are not sustainable. In addition, the continuing decline of the US dollar appears likely with more and more pressure being applied on Japan and China to revalue their currencies. On balance, the equity markets will consolidate before appreciating further.

The Company has announced today a proposed merger between the Company and United International Securities Limited ("**UIS**") by way of a scheme of arrangement (the "**Scheme**") under Section 210 of the Companies Act, Chapter 50. The Scheme, which is subject to the approval of the Company's shareholders, will involve an exchange of the Company's shares held by the Company's shareholders for shares in UIS. Please refer to the joint announcement issued by the Company and UIS today for further details of the proposed merger.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period report on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediate preceding financial year? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared or recommended for the third quarter ended 30 September 2003.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2 & Q3 or Half Year Results)**

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable to Q1, Q2 & Q3 results.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographic segments**

Not applicable to Q1, Q2 & Q3 results.

- 15. A breakdown of sales**

Not applicable to Q1, Q2 & Q3 results.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable to Q1, Q2 & Q3 results.

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary		
Preference		
Total		

**BY ORDER OF THE BOARD**

Ms Jeannie Tng  
Company Secretary  
Dated this 22<sup>nd</sup> day of October 2003

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8 Cross Street #17-00  
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Singapore 048424  
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GST No: 52-871777-D

The Board of Directors  
Overseas Union Securities Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

22 October 2003

Our reference: ABAS2D/02504294A900/KCB(15)  
*(When Replying Please Quote Our Reference)*

Dear Sirs

**Overseas Union Securities Limited and its subsidiary  
Review of the interim financial information  
For the 9 months ended 30 September 2003**

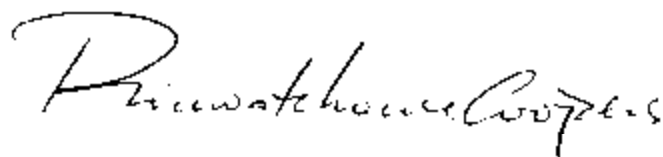
We have been engaged by the Company to review the interim financial information for the 9 months ended 30 September 2003 as set out in the Third Quarter 2003 Financial Statement Announcement of the Company.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The interim financial information comprise the balance sheets of the Company and of the Group at 30 September 2003, the income statement of the Group, the statements of changes in equity of the Company and of the Group and cash flow statement of the Group for the 9 months period then ended. The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that:

1. there are any material modifications that need to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual; and
2. the interim financial information has not been prepared in accordance with the accounting policies set out in the Company's audited financial statements for the year ended 31 December 2002 except for the change in accounting policy disclosed in paragraph 5 of the Third Quarter 2003 Financial Statement Announcement.



PricewaterhouseCoopers  
Certified Public Accountants  
Singapore