



Overseas Union Securities Limited

(Incorporated in Singapore)

Full Year 2003 Financial Statement And Dividend 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 year ended 31 December 2003

	Group		
	<u>2003</u>	<u>2002</u>	Incr /
	\$'000	\$'000	(Decr)
			%
Profit on sale of non-current investments	2,200	4,018	(45.2)
Profit on sale of trading securities	653	53	nm
Profit on sale of investments	2,853	4,071	(29.9)
Dividends	2,996	2,395	25.1
Other operating income			
Interest income	668	536	24.6
Foreign exchange gain/(loss)	171	(175)	nm
Operating revenue	6,688	6,827	(2.0)
Operating expenses	(1,338)	(1,154)	15.9
Operating profit	5,350	5,673	(5.7)
Writeback of provision/(provision) for diminution in value of trading securities	797	(631)	nm
Profit before tax	6,147	5,042	21.9
Tax	(54)	(1,413)	(96.2)
Net profit	6,093	3,629	67.9

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	As at	As at	As at
	<u>31/12/2003</u>	<u>31/12/2002</u>	<u>31/12/2003</u>	<u>31/12/2002</u>
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	5,000	5,000
Investments	94,952	75,524	94,952	75,524
	<u>94,952</u>	<u>75,524</u>	<u>99,952</u>	<u>80,524</u>
Current assets				
Trading securities	6,025	3,055	-	-
Balances/deposits with holding company	976	6,403	441	5,258
Bank balances with fellow subsidiary company	616	341	613	339
Balances/deposits with other banks	5,977	4,020	5,645	2,949
Deposits with other financial institutions	-	1,162	-	1,013
Amount due from subsidiary company (non-trade)	-	-	59	53
Trade debtors	209	-	-	-
Other assets	405	344	401	322
	<u>14,208</u>	<u>15,325</u>	<u>7,159</u>	<u>9,934</u>
Total assets	<u>109,160</u>	<u>90,849</u>	<u>107,111</u>	<u>90,458</u>
Current liabilities				
Amount due to fellow subsidiary company	267	218	267	218
Trade creditors	356	-	154	-
Provision for tax	2,909	984	2,364	984
Other liabilities	311	251	291	236
	<u>3,843</u>	<u>1,453</u>	<u>3,076</u>	<u>1,438</u>
Net current assets	<u>10,365</u>	<u>13,872</u>	<u>4,083</u>	<u>8,496</u>
Non-current liability				
Provision for deferred tax	487	2,285	487	1,845
Total liabilities	<u>4,330</u>	<u>3,738</u>	<u>3,563</u>	<u>3,283</u>
	<u>104,830</u>	<u>87,111</u>	<u>103,548</u>	<u>87,175</u>
Shareholders' equity				
Share capital	39,063	39,063	39,063	39,063
Investment fluctuation reserve	-	24,391	-	24,391
Unrealised surplus/(deficit) on revaluation of investments	13,732	(285)	13,732	(285)
Retained profits	52,035	23,942	50,753	24,006
	<u>104,830</u>	<u>87,111</u>	<u>103,548</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>31/12/2003</u>		<u>31/12/2002</u>	
	\$'000	%	\$'000	%
Quoted equities and warrants	75,446	72.0	63,174	72.5
Quoted bonds, notes and loan stocks	15,367	14.7	5,017	5.8
Other quoted investments	-	-	5,200	6.0
Unquoted bonds, notes and loan stocks	4,139	3.9	2,133	2.4
Trading securities	6,025	5.7	3,055	3.5
Cash and net receivables	3,853	3.7	8,532	9.8
Total	<u>104,830</u>	<u>100.0</u>	<u>87,111</u>	<u>100.0</u>

Group Total Assets by Currency Mix

	<u>31/12/2003</u>	<u>31/12/2002</u>
	%	%
Singapore Dollar	41.5	63.0
United States Dollar	27.4 *	9.1
Hong Kong Dollar	7.2	8.9
Australian Dollar	5.0	2.5
Korean Won	4.7	3.2
Japanese Yen	4.2	2.7
Euro	4.2	1.7
Malaysian Ringgit	3.1	4.4
Taiwan Dollar	1.5	2.2
Others	1.2	2.3
	<u>100.0</u>	<u>100.0</u>

* the USD currency holdings as at 31/12/2003 have been covered against SGD, reducing the exposure from 27.4% to 15.3%.

Country Mix of Quoted Equities and Warrants

	<u>31/12/2003</u>	<u>31/12/2002</u>
	%	%
Singapore	54.7	57.7
United States	13.6	3.4
Hong Kong	7.6	11.0
South Korea	5.9	6.7
Japan	5.8	3.8
Australia	4.3	3.2
Malaysia	3.5	5.7
Europe	2.5	3.0
Taiwan	1.3	2.9
Others	0.8	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

	<u>31/12/2003</u>	<u>31/12/2002</u>
	%	%
Industrial & Commercial	60.6	55.0
Finance	26.1	27.8
Properties	7.9	10.9
Hotel	5.4	6.3
	<u>100.0</u>	<u>100.0</u>

Ten Largest Investment Holdings as at 31/12/2003

	<u>As % of Group Net Assets</u>
Oversea-Chinese Banking Corporation Ltd	7.2
Singapore Press Holdings Ltd	5.9
DBS Group Holdings Ltd	5.0
City Developments Ltd	4.3
Overseas Union Enterprise Ltd	3.9
Singapore Technologies Engineering Ltd	3.2
Singapore Airlines Ltd	3.2
Venture Corporation Ltd	2.5
Best Buy Co. Inc	1.8
CDL Properties Ltd Bonds 4.815% due 31-01-2006	1.7

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

Amount repayable in one year or less, or on demand

<u>As at 31/12/2003</u>		<u>As at 31/12/2002</u>	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

<u>As at 31/12/2003</u>		<u>As at 31/12/2002</u>	
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 year ended 31 December 2003

	Group	
	<u>2003</u>	<u>2002</u>
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	6,147	5,042
Adjustment for:		
Profit on sale of non-current investments	(2,200)	(4,018)
Dividend income	(2,996)	(2,395)
Interest income	(668)	(536)
(Writeback of provision)/provision for diminution in value of trading securities	(797)	631
Dividend received	3,211	2,189
Interest received	431	663
Operating cash flow before working capital changes	<u>3,128</u>	<u>1,576</u>
Changes in working capital:		
Trading securities	(2,173)	(2,349)
Trade debtors and other assets	(269)	-
Amount due to fellow subsidiary company	49	-
Trade creditors and other liabilities	262	(109)
Cash generated from/(used in) operations	<u>997</u>	<u>(882)</u>
Income tax paid	<u>(1,499)</u>	<u>(453)</u>
Net cash outflow from operating activities	<u>(502)</u>	<u>(1,335)</u>
Cash flows from investing activities		
Purchase of non-current investments	(45,925)	(33,015)
Proceeds from sale of non-current investments	<u>44,461</u>	<u>26,010</u>
Net cash outflow from investing activities	<u>(1,464)</u>	<u>(7,005)</u>
Cash flows from financing activities		
Dividends paid	<u>(2,391)</u>	<u>(2,391)</u>
Net cash outflow from financing activities	<u>(2,391)</u>	<u>(2,391)</u>
Net decrease in cash and cash equivalents	(4,357)	(10,731)
Cash and cash equivalents at the beginning of the financial year	11,926	22,657
Cash and cash equivalents at the end of the financial year	<u><u>7,569</u></u>	<u><u>11,926</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
<u>Group</u>						
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	-	-	15,610	-	-	15,610
Deferred tax on revaluation	-	-	(1,593)	-	-	(1,593)
Net gain not recognised in income statement	-	-	14,017	-	-	14,017
Net profit	-	-	-	-	6,093	6,093
Total recognised gains for the financial year	-	-	14,017	-	6,093	20,110
Transfer to retained profits *	-	(24,391)	-	-	24,391	-
Dividend for 2002	-	-	-	-	(1,172)	(1,172)
Dividend for 2003	-	-	-	-	(1,219)	(1,219)
Balance at 31 December 2003	39,063	-	13,732	-	52,035	104,830
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	-	-	(15,738)	-	-	(15,738)
Deferred tax on revaluation	-	-	2,186	-	-	2,186
Net loss not recognised in income statement	-	-	(13,552)	-	-	(13,552)
Net profit	-	-	-	-	3,629	3,629
Total recognised gains and losses for the financial year	-	-	(13,552)	-	3,629	(9,923)
Dividend for 2001	-	-	-	-	(1,172)	(1,172)
Dividend for 2002	-	-	-	-	(1,219)	(1,219)
Balance at 31 December 2002	39,063	24,391	(285)	-	23,942	87,111

* 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
<u>Unaudited</u>						
<u>Company</u>						
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	-	-	15,610	-	-	15,610
Deferred tax on revaluation	-	-	(1,593)	-	-	(1,593)
Net gain not recognised in income statement	-	-	14,017	-	-	14,017
Net profit	-	-	-	-	4,747	4,747
Total recognised gains for the financial year	-	-	14,017	-	4,747	18,764
Transfer to retained profits *	-	(24,391)	-	-	24,391	-
Dividend for 2002	-	-	-	-	(1,172)	(1,172)
Dividend for 2003	-	-	-	-	(1,219)	(1,219)
Balance at 31 December 2003	39,063	-	13,732	-	50,753	103,548
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	-	-	(15,738)	-	-	(15,738)
Deferred tax on revaluation	-	-	2,186	-	-	2,186
Net loss not recognised in income statement	-	-	(13,552)	-	-	(13,552)
Net profit	-	-	-	-	4,258	4,258
Total recognised gains and losses for the financial year	-	-	(13,552)	-	4,258	(9,294)
Dividend for 2001	-	-	-	-	(1,172)	(1,172)
Dividend for 2002	-	-	-	-	(1,219)	(1,219)
Balance at 31 December 2002	39,063	24,391	(285)	-	24,006	87,175

* 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)(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 auditing standard or practice.**

The figures, with the exception of the Company's Statement of Changes in Equity, have been audited in accordance with Singapore Standards on Auditing.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 & Company</u>
	\$'000
Decrease in net profit for the financial year ended 31 December 2002	(122)
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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

		Group	
		<u>2003</u>	<u>2002</u>
Earnings per share		Cents	Cents
(a)	Based on the weighted average number of ordinary shares in issue	15.60	9.29
(b)	On a fully diluted basis	15.60	9.29

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 financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	<u>31/12/2003</u>	<u>31/12/2002</u>	<u>31/12/2003</u>	<u>31/12/2002</u>
	\$	\$	\$	\$
Net asset value per share	2.68	2.23	2.65	2.23

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded an after-tax profit of \$6.1 million for the year ended 31 December 2003, representing an increase of \$2.5 million or 67.9% over the \$3.6 million profit for last year. The increase in profit was mainly attributed to a writeback of provision for diminution in value of trading securities by the subsidiary as against a provision made in last year, lower income tax provision due mainly to writeback of deferred tax on prior years' unremitted foreign dividends which qualify for Singapore tax exemption, higher dividend income as well as higher profit on sale of trading securities by the subsidiary. This was partially offset by lower profit on sale of non-current investments due mainly to the gain on sale of UOB shares in last year. As a result, earnings per share rose to 15.60 cents from 9.29 cents for last year.

Group shareholders' funds increased by \$17.7 million from \$87.1 million as at last year-end to \$104.8 million, largely from the unrealised revaluation gain on non-current investments due to higher market prices. Consequently, Group net asset value per share rose 20.2% to \$2.68 from \$2.23 as at last year-end.

The Group's net asset value per share of \$2.68 as at 31 December 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 a higher \$2.74 per share, representing an increase of 22.9% over last year-end.

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

No forecast was made previously.

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

Equity markets had a good run in 2003 and prospects remain encouraging. The global economy appears to be heading for a synchronised recovery with growth particularly strong in Asia, notably in China. Valuations appear reasonable against a backdrop of continuing low inflation and easy monetary condition.

The Company has on 22 October 2003 announced a proposed merger between the Company and United International Securities Limited ("UIS") by way of a scheme of arrangement under Section 210 of the Companies Act, Chapter 50. The merger, which is subject to the approval of OUS and UIS 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 on 22 October 2003 for further details of the proposed merger.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	2003	
	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	4% per ordinary share (less tax)	3% per ordinary share (tax exempt)
Par value of shares	S\$1.00	S\$1.00
Tax Rate	22%	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediate preceding financial year? Yes

Name of Dividend	2002	
	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	4% per ordinary share (less tax)	3% per ordinary share (tax exempt)
Par value of shares	S\$1.00	S\$1.00
Tax Rate	22%	Nil

(c) Date payable

The final dividend is payable on 18 May 2004.

(d) Books closure date

Notice is hereby given that, subject to shareholders' approval of the payment of the aforementioned dividend at the forthcoming Annual General Meeting, the Share Transfer Books and the Registers of Members of the Company will be closed from 6 May 2004 to 7 May 2004, both dates inclusive. Duly completed transfers received by the Company's Registrar, KPMG, 138 Robinson Road #17-00, The Corporate Office, Singapore 068906, up to 5.00 pm on 5 May 2004 will be registered to determine shareholders' entitlement to the proposed ordinary dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the dividend entitlements to shareholders.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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 .

The business of the Company and its subsidiary is in investment holding and investment trading respectively, and is carried out wholly in Singapore.

<u>2003</u>	Investment <u>Holding</u> \$'000	Investment <u>Trading</u> \$'000	The <u>Group</u> \$'000
Revenue	5,893	795	6,688
Profit before tax	4,660	1,487	6,147
Tax	87	(141)	(54)
Net profit	4,747	1,346	6,093
Total assets	102,052	7,108	109,160
Total liabilities	3,563	767	4,330

<u>2002</u>	Investment <u>Holding</u> \$'000	Investment <u>Trading</u> \$'000	The <u>Group</u> \$'000
Revenue	6,716	111	6,827
Profit/(loss) before tax	5,653	(611)	5,042
Tax	(1,395)	(18)	(1,413)
Net profit/(loss)	4,258	(629)	3,629
Total assets	85,405	5,444	90,849
Total liabilities	3,283	455	3,738

The figures reported above are stated after elimination of intercompany transactions and balances.

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.

Net profit for Investment Holding increased by \$0.4 million from \$4.3 million to \$4.7 million attributed mainly to writeback of deferred tax on prior years' unremitted foreign dividends qualified for Singapore tax exemption as well as higher dividend and interest income. These were partially offset by lower profit on sale of non-current investments due mainly to the profit on sale of UOB shares in last year. Investment Trading registered a profit of \$1.3 million as against a loss of \$0.6 million in last year, due mainly to writeback of provision for diminution in value of trading securities, reflecting the improved market prices.

Similarly, the improved market prices also resulted in total assets of Investment Holding to increase from \$85.4 million to \$102.1 million mainly from the unrealised gain of \$15.6 million on revaluation of non-current investments.

15. A breakdown of sales.

		Group	
		<u>2003</u>	<u>2002</u>
		\$'000	\$'000
			Incr/ (Decr) %
(a)	Revenue reported for first half year	2,445	7,547
(b)	Operating profit after tax before deducting minority interests reported for first half year	2,122	5,157
(c)	Revenue reported for second half year	4,243	(720)
(d)	Operating profit/(loss) after tax before deducting minority interests reported for second half year	3,971	(1,528)

nm : not meaningful

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

Total Annual Dividend

	Full Year 2003 (\$'000)	Full Year 2002 (\$'000)
Ordinary	2,391	2,391
Preference	-	-
Total	2,391	2,391

BY ORDER OF THE BOARD

Ms Jeannie Tng
Company Secretary
Dated this 5th day of February 2004

AUDITORS' REPORT TO THE MEMBERS OF OVERSEAS UNION SECURITIES LIMITED

We have audited the balance sheet of Overseas Union Securities Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2003 set out on pages 6 to 34. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying balance sheet of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2003 and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records (excluding registers) required by the Act to be kept by the Company and by the subsidiary have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' report on the financial statements of the subsidiary was not subject to any qualification and did not include any comment made under section 207(3) of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore,
5 February 2004