

## First Quarter 2004 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 first quarter ended 31 March 2004

	Group		
	1 <sup>st</sup> Quarter <u>2004</u> \$'000	1 <sup>st</sup> Quarter <u>2003</u> \$'000	Incr/ (Decr) %
Profit/(loss) on sale of non-current investments	1,545	(2,742)	nm
Profit on sale of trading securities	1,124	109	931.2
Profit/(loss) on sale of investments	2,669	(2,633)	nm
Dividends	525	354	48.3
Other operating income			
Interest and other income	591	826	(28.5)
Foreign exchange loss	(38)	(456)	(91.7)
Operating revenue	3,747	(1,909)	nm
Operating expenses	(670)	(677)	(1.0)
<b>Operating profit/(loss)</b>	3,077	(2,586)	nm
Provision for diminution in value of trading securities	-	(155)	(100.0)
<b>Profit/(loss) before tax</b>	3,077	(2,741)	nm
Tax	(629)	6	nm
<b>Net profit/(loss)</b>	2,448	(2,735)	nm

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 31/03/2004 \$'000	As at 31/12/2003 \$'000	As at 31/03/2004 \$'000	As at 31/12/2003 \$'000
<b>Non-current assets</b>				
Investment in subsidiary	-	-	8,000	8,000
Investments	202,136	195,632	202,136	195,632
	<u>202,136</u>	<u>195,632</u>	<u>210,136</u>	<u>203,632</u>
<b>Current assets</b>				
Trading securities	9,549	8,393	-	-
Trade debtors	7,153	1,593	6,068	1,575
Deposits/balances with UOB Group	12,875	2,001	12,716	1,695
Balances with other banks	742	15,253	501	14,770
Other assets	1,276	1,195	1,253	1,159
	<u>31,595</u>	<u>28,435</u>	<u>20,538</u>	<u>19,199</u>
<b>Total assets</b>	<u>233,731</u>	<u>224,067</u>	<u>230,674</u>	<u>222,831</u>
<b>Current liabilities</b>				
Trade creditors	6,219	153	5,550	153
Other liabilities	975	1,065	930	1,020
Provision for tax	3,139	2,848	3,139	2,848
	<u>10,333</u>	<u>4,066</u>	<u>9,619</u>	<u>4,021</u>
<b>Net current assets</b>	21,262	24,369	10,919	15,178
<b>Non-current liability</b>				
Provision for deferred tax	<u>1,334</u>	<u>1,821</u>	<u>1,334</u>	<u>1,821</u>
<b>Total liabilities</b>	<u>11,667</u>	<u>5,887</u>	<u>10,953</u>	<u>5,842</u>
	<u>222,064</u>	<u>218,180</u>	<u>219,721</u>	<u>216,989</u>
<b>Shareholders' equity</b>				
Share capital	139,042	139,042	139,042	139,042
Unrealised surplus on revaluation of investments	24,252	22,816	24,252	22,816
Retained profits	<u>58,770</u>	<u>56,322</u>	<u>56,427</u>	<u>55,131</u>
	<u>222,064</u>	<u>218,180</u>	<u>219,721</u>	<u>216,989</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			
	31/03/2004		31/12/2003	
	\$'000	%	\$'000	%
Quoted Equity Investments	149,030	67.1	142,316	65.2
Quoted Bonds, Notes, Loan Stocks and Unit Trusts	33,238	15.0	34,659	15.9
Other Quoted Investments	1,697	0.8	1,661	0.8
Unquoted Bonds, Notes, Loan Stocks and Unit Trusts	18,171	8.2	16,996	7.8
Trading Securities	9,549	4.3	8,393	3.8
Cash and Net Receivables	10,379	4.6	14,155	6.5
Total	222,064	100.0	218,180	100.0

**Group Total Assets by Currency Mix**

	31/03/2004	31/12/2003
	%	%
Singapore Dollar	39.4	40.1
United States Dollar *	30.1	27.3
Hong Kong Dollar	5.6	4.8
Australian Dollar	5.3	6.8
Japanese Yen	4.3	5.4
Malaysian Ringgit	3.5	3.2
Swiss Franc	3.3	3.2
Taiwan Dollar	2.5	2.1
Euro	2.2	1.9
Korean Won	2.1	3.6
Sterling Pound	0.8	0.4
Thai Baht	0.5	0.7
Indonesian Rupiah	0.3	0.5
Indian Rupee	0.1	-
	100.0	100.0

\* the USD currency holdings have been covered against SGD, reducing the exposure from 30.1% to 25.1% (31/12/2003: 27.3% to 21.9%).

**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)**

**Country Mix of Quoted Equity Investments**

	<u>31/03/2004</u>	<u>31/12/2003</u>
	%	%
Singapore	43.7	39.1
United States	19.6	18.2
Australia	6.0	8.3
China	5.4	4.7
Switzerland	4.9	4.7
Japan	4.2	7.9
Malaysia	3.9	4.7
South Korea	3.2	5.4
Taiwan	2.4	2.8
Hong Kong	2.1	1.5
France	1.7	1.6
United Kingdom	1.1	0.4
Germany	0.9	-
Thailand	0.6	-
Finland	0.2	0.1
Indonesia	0.1	0.6
	<u>100.0</u>	<u>100.0</u>

**Industry Mix of Quoted Equity Investments**

	<u>31/03/2004</u>	<u>31/12/2003</u>
	%	%
Financials	30.7	29.3
Consumer Goods	26.8	25.9
Industrials	13.8	12.9
Information Technology	10.7	10.4
Healthcare	8.2	7.6
Energy	4.5	5.1
Materials	3.3	8.4
Real Estate Investment Trust	1.4	-
Utilities	0.6	-
Telecom Services	-	0.4
	<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)**

**Largest Investment Holdings as at 31/03/2004**

	<u>As % of Group Net Assets</u>
<u>Top Ten Equity Holdings</u>	
United Overseas Bank Limited	12.4
United Overseas Land Limited	4.4
Baxter International Incorporated	2.6
Keppel Corporation Limited	2.2
Hewlett Packard Company	2.0
Kimberly-Clark Corporation	2.0
Honda Motor Company Limited	1.9
Jubilee Mines NL	1.7
Schindler Holding AG	1.6
IDT Holdings Limited	1.5
<u>Top Five Fixed Income Holdings</u>	
United Global Emerging Market Portfolio - SGD	3.1
United Convertible Bond Fund – USD	2.7
Russia Federation Government Bond 8.25% Due 31/03/2010	1.3
United Overseas Land Limited Bond 1.5% Due 15/07/2004	1.1
National Power Corporation Bond 9.75% Due 01/07/2009	0.8

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

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

As at 31/03/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

**Amount repayable after one year**

As at 31/03/2004		As at 31/12/2003	
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 first quarter ended 31 March 2004

	Group	
	1 <sup>st</sup> Quarter 2004 \$'000	1 <sup>st</sup> Quarter 2003 \$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	3,077	(2,741)
Adjustment for:		
(Profit)/loss on sale of non-current investments	(1,545)	2,742
Dividend income	(525)	(354)
Interest income	(574)	(826)
Interest expense	-	3
Provision for diminution in value of trading securities	-	155
Dividend received	657	330
Interest received	614	982
Operating cash flow before working capital changes	1,704	291
Changes in working capital:		
Trading securities	(1,156)	(384)
Trade debtors and other assets	(2,740)	2,368
Trade creditors and other liabilities	579	139
Cash (used in)/generated from operations	(1,613)	2,414
Income tax paid	(376)	(38)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,989)</b>	<b>2,376</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current investments	(28,340)	(31,631)
Proceeds from sale of non-current investments	26,692	30,591
<b>Net cash outflow from investing activities</b>	<b>(1,648)</b>	<b>(1,040)</b>
<b>Cash flows from financing activities</b>		
Interest paid	-	(3)
<b>Net cash outflow from financing activities</b>	<b>-</b>	<b>(3)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,637)</b>	<b>1,333</b>
Cash and cash equivalents at the beginning of the financial period	17,254	5,543
<b>Cash and cash equivalents at the end of the financial period</b>	<b>13,617</b>	<b>6,876</b>

**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.**

<b>Group</b>	<b>Share capital \$'000</b>	<b>Investment fluctuation reserve \$'000</b>	<b>Unrealised surplus / (deficit) on revaluation of investments \$'000</b>	<b>Retained profits \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 January 2004</b>	139,042	-	22,816	56,322	218,180
Revaluation surplus	-	-	982	-	982
Deferred tax on revaluation	-	-	454	-	454
Net gain not recognised in income statement	-	-	1,436	-	1,436
Net profit	-	-	-	2,448	2,448
<b>Total recognised gains for the financial period</b>	-	-	1,436	2,448	3,884
<b>Balance at 31 March 2004</b>	<u>139,042</u>	<u>-</u>	<u>24,252</u>	<u>58,770</u>	<u>222,064</u>
<b>Balance at 1 January 2003</b>	139,042	21,436	(3,608)	28,877	185,747
Revaluation deficit	-	-	(1,988)	-	(1,988)
Deferred tax on revaluation	-	-	(5)	-	(5)
Net loss not recognised in income statement	-	-	(1,993)	-	(1,993)
Net loss	-	-	-	(2,735)	(2,735)
<b>Total recognised losses for the financial period</b>	-	-	(1,993)	(2,735)	(4,728)
<b>Balance at 31 March 2003</b>	<u>139,042</u>	<u>21,436</u>	<u>(5,601)</u>	<u>26,142</u>	<u>181,019</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. (continued)**

<b>Company</b>	<b>Share capital \$'000</b>	<b>Investment fluctuation reserve \$'000</b>	<b>Unrealised surplus / (deficit) on revaluation of investments \$'000</b>	<b>Retained profits \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 January 2004</b>	139,042	-	22,816	55,131	216,989
Revaluation surplus	-	-	982	-	982
Deferred tax on revaluation	-	-	454	-	454
Net gain not recognised in income statement	-	-	1,436	-	1,436
Net profit	-	-	-	1,296	1,296
<b>Total recognised gains for the financial period</b>	-	-	1,436	1,296	2,732
<b>Balance at 31 March 2004</b>	139,042	-	24,252	56,427	219,721
<b>Balance at 1 January 2003</b>	139,042	21,436	(3,608)	30,186	187,056
Revaluation deficit	-	-	(1,988)	-	(1,988)
Deferred tax on revaluation	-	-	(5)	-	(5)
Net loss not recognised in income statement	-	-	(1,993)	-	(1,993)
Net loss	-	-	-	(2,684)	(2,684)
<b>Total recognised losses for the financial period</b>	-	-	(1,993)	(2,684)	(4,677)
<b>Balance at 31 March 2003</b>	139,042	21,436	(5,601)	27,502	182,379

**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 have not been audited or reviewed.

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

Not applicable.

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.

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.**

Not applicable.

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	
	1 <sup>st</sup> Quarter 2004 Cents	1 <sup>st</sup> Quarter 2003 Cents
<b>Earnings per share *</b>		
(a) Based on the weighted average number of ordinary shares in issue	7.04	(7.87)
(b) On a fully diluted basis	7.04	(7.87)

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

	Group		Company	
	<u>31/03/2004</u> \$	<u>31/12/2003</u> \$	<u>31/03/2004</u> \$	<u>31/12/2003</u> \$
Net asset value per share	1.60	1.57	1.58	1.56

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 \$2.4 million in the first quarter of 2004 as compared to after-tax loss of \$2.7 million in the corresponding period last year. The improved performance was attributed mainly to profit on sale of investments of \$2.7 million recorded in the first quarter of 2004 as against a loss of \$2.6 million in the first quarter of 2003 and lower exchange loss on USD forward contracts. These were partially offset by the tax provision on taxable profits for the first quarter of 2004.

Group shareholders' funds increased by \$3.9 million from \$218.2 million as at last year-end to \$222.1 million due to net profit and higher unrealised revaluation gain on non-current investments recorded in the first quarter of 2004. Consequently, the net asset value per share increased by 1.9% to \$1.60 from \$1.57 as at 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.**

The global economic recovery remains on track. Economic growth in the US is expected to be between 4-5% for the first quarter 2004. While China has registered 9.7% growth for the quarter, there are concerns of overheating and whether the authorities are able to engineer a soft landing. Economic recovery in Japan is also expected to be strong. Europe by contrast has turned down. The focus is now on interest rates, and the expectation by the market is for the first rise by the Federal Reserve Board to be in the second half of 2004.

At the extraordinary general meeting of the shareholders of the Company ("Shareholders") held on 24 April 2004, the Shareholders have approved the merger with Overseas Union Securities Limited ("OUS") by way of a scheme of arrangement (the "Scheme") under Section 210 of the Companies Act, Chapter 50.

The shareholders of OUS ("OUS Shareholders") have also by the requisite majority voted in favour of the Scheme at the meeting of the OUS Shareholders convened by the order of the High Court of Singapore held on 24 April 2004.

Subject to the Scheme being sanctioned by the High Court of Singapore and an office copy of the order of the High Court being lodged with the Accounting and Corporate Regulatory Authority, the Scheme is expected to become effective on 8 June 2004, whereupon OUS will become a wholly-owned subsidiary of the Company.

**11. Dividend**

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

Any dividend declared for the current financial period reported 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 first quarter ended 31 March 2004.

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

**BY ORDER OF THE BOARD**

Mrs Vivien Chan  
Company Secretary  
Dated this 6th day of May 2004