

**UNITED INTERNATIONAL SECURITIES LIMITED**  
(Incorporated In The Republic Of Singapore)

**ANNOUNCEMENT**

The Board of Directors wishes to make the following announcement:

**1. UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2000**

	<b>Group</b>			<b>Company</b>		
	Six Months Ended 30 June			Six Months Ended 30 June		
	<b>2000</b>	1999	+/-	<b>2000</b>	1999	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating income	<b>17,006</b>	10,152	<b>+67.5</b>	<b>14,562</b>	7,460	<b>+95.2</b>
Dividend income	<b>3,089</b>	1,539	<b>+100.7</b>	<b>3,019</b>	1,478	<b>+104.3</b>
Profit on sale of investments	<b>12,580</b>	6,854	<b>+83.5</b>	<b>10,251</b>	4,392	<b>+133.4</b>
Interest and other income	<b>1,337</b>	1,759	<b>-24.0</b>	<b>1,292</b>	1,590	<b>-18.7</b>
Operating profit before tax and provision	<b>15,294</b>	8,678	<b>+76.2</b>	<b>12,955</b>	6,082	<b>+113.0</b>
(Less)/Add: (Provision)/Writeback for diminution in value of trading securities	<b>(2,043)</b>	751	<b>+372.0</b>	-	-	-
Operating profit before tax	<b>13,251</b>	9,429	<b>+40.5</b>	<b>12,955</b>	6,082	<b>+113.0</b>
Less: Income tax	<b>(1,565)</b>	(1,746)	<b>-10.4</b>	<b>(1,490)</b>	(876)	<b>+70.1</b>
Operating profit after tax and available for appropriation	<b>11,686</b>	7,683	<b>+52.1</b>	<b>11,465</b>	5,206	<b>+120.2</b>
Net earnings per share in cents based on existing issued share capital	<b>8.4</b>	5.5				
Net tangible assets backing per share	<b>S\$1.73</b>	S\$1.65				

The income tax expense is determined on the basis of tax effect accounting using the liability method and deferred taxation is provided on significant timing differences. The provisions made for income tax for the Group and the Company do not contain any adjustment for under or over provision for tax in respect of prior years. There are no pre-acquisition profits nor any profits on sale of properties.

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### **2. DIRECTORS' COMMENTS**

Group profit after tax was 52.1% higher for the first half of this year due mainly to higher dividend income and profit realised from sale of long-term investments. Net tangible assets backing per share increased by 4.8% when compared to the value as at 30 June 1999 and decreased by 6.5% when compared to the value as at 31 December 1999.

In the opinion of the Directors, no item, transaction or event of a material or unusual nature has arisen in the interval between 30 June 2000 and the date of this announcement which is likely to affect substantially the results of the Company and the Group for the current financial period.

### **3. PROSPECTS FOR THE REST OF 2000**

The strong performance of the financial markets in the latter part of last year continued into the early part of this year. The market saw volatile swings in March when the NASDAQ index suffered a severe correction due to concerns over valuation excesses and fears of higher interest rates.

The US economy is showing signs of a slowdown after six rounds of interest rate hikes. The recent correction in the technology-laden NASDAQ market has reduced the 'wealth effect'. But with the recent rise in energy prices, the risk remains skewed towards higher inflation.

The Asian economies continued its recovery on the back of strong demand for exports. However, domestic demand remains weak and loan growth has not returned to pre-crisis levels. The pace of growth is expected to slow.

The main risk still emanates from a possible hard landing for the US economy arising from higher interest rates with its resultant impact on corporate earnings. There is growing evidence that the Chinese economy is both cyclically and structurally on the mend. This should help Asia. We would continue to be cautious on the US stock market and remain positive on the Asian markets especially North Asia.

### **4. DIVIDEND**

No interim dividend has been recommended by the directors.

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**5. UNAUDITED BALANCE SHEET AS AT 30 JUNE 2000**

	<u>Group</u>		<u>Company</u>	
	As At 30 June		As At 30 June	
	<b>2000</b>	1999	<b>2000</b>	1999
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted Investments	<b>207,100</b>	215,660	<b>207,100</b>	215,660
Unquoted share in Subsidiary at cost	-	-	<b>8,000</b>	8,000
Current Assets	<b>41,571</b>	24,678	<b>25,836</b>	7,969
Less: Current Liabilities	<b>(7,978)</b>	(7,965)	<b>(6,796)</b>	(5,505)
Net Current Assets	<b>33,593</b>	16,713	<b>19,040</b>	2,464
Less: Deferred Taxation	<b>(1)</b>	(2,664)	<b>(1)</b>	(2,664)
	<b>240,692</b>	229,709	<b>234,139</b>	223,460
Represented by:				
Share Capital	<b>139,042</b>	139,042	<b>139,042</b>	139,042
Investment Fluctuation Reserve	<b>21,436</b>	21,436	<b>21,436</b>	21,436
Unrealised Gain On Investments	<b>44,992</b>	42,463	<b>44,992</b>	42,463
Exchange Fluctuation Reserve	<b>(5,799)</b>	(5,243)	<b>(5,799)</b>	(5,243)
Revenue Reserve	<b>41,021</b>	32,011	<b>34,468</b>	25,762
	<b>240,692</b>	229,709	<b>234,139</b>	223,460

**6. COMPOSITION OF ASSETS**

	<u>S\$' 000</u>	<u>%</u>
Equities	181,466	75.4
Fixed Income Securities	36,529	15.2
Cash And Other Liquid Assets	22,697	9.4
Total	<b>240,692</b>	<b>100.0</b>

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**7. TOP TEN HOLDINGS**

**Counter**

United Overseas Bank Limited  
United Overseas Land Limited  
DBS Group Holdings Limited  
Singapore Press Holdings Limited  
Samsung Electronics Company  
Republic Of Korea Bond 8.875% Due April 2008  
Singapore Airlines Limited  
China Mobile (Hong Kong) Limited  
United Kingdom Treasury Strip 0% Due December 2005  
Powerchip Semiconductor Corporation (GDR)

**8. CHANGES IN SHARE CAPITAL**

There was no change in the issued share capital during the period from 1 January 2000 to 30 June 2000.

**By Order Of The Board**

**Mrs Vivien Chan**  
**Company Secretary**

**Dated this 25th day of July 2000**