

Third Quarter 2006 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.

Unaudited consolidated Profit and Loss Account for the nine months/third quarter ended 30 September 2006

	Group					
	9 months	9 months	Incr/	3rd Quarter	3rd Quarter	Incr/
	<u>2006</u>	<u>2005</u>	<u>(Decr)</u>	<u>2006</u>	<u>2005</u>	<u>(Decr)</u>
	\$'000	\$'000	%	\$'000	\$'000	%
Profit/(loss) on sale of non-current investments	17,687	6,485	172.7	2,650	(224)	nm
Profit/(loss) on trading securities	1,089	(301)	nm	601	(663)	nm
	18,776	6,184	203.6	3,251	(887)	nm
Dividends	9,430	9,637	(2.1)	2,525	4,611	(45.2)
Other operating income						
Interest and other income	3,470	3,651	(5.0)	1,221	946	29.1
Foreign exchange loss	(181)	(878)	79.4	(165)	(662)	75.1
Operating revenue	31,495	18,594	69.4	6,832	4,008	70.5
Less: Operating expenses	3,158	2,959	6.7	1,059	993	6.6
Profit before tax	28,337	15,635	81.2	5,773	3,015	91.5
Less: Tax	3,383	2,535	33.5	770	815	(5.5)
Net profit	24,954	13,100	90.5	5,003	2,200	127.4

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.

Unaudited Balance Sheets as at 30 September 2006

	Group		Company	
	As at	As at	As at	As at
	30/09/2006	31/12/2005	30/09/2006	31/12/2005
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	8,000	8,000
Investments	<u>321,842</u>	<u>342,331</u>	<u>321,842</u>	<u>342,331</u>
	<u>321,842</u>	<u>342,331</u>	<u>329,842</u>	<u>350,331</u>
Current assets				
Trading securities	7,894	5,559	-	-
Trade debtors	1,046	825	662	517
Balances with UOB Group	39,717	15,264	36,805	10,231
Balances with other banks	9,865	914	9,350	619
Other assets	<u>2,467</u>	<u>5,218</u>	<u>1,699</u>	<u>4,455</u>
	<u>60,989</u>	<u>27,780</u>	<u>48,516</u>	<u>15,822</u>
Total assets	<u>382,831</u>	<u>370,111</u>	<u>378,358</u>	<u>366,153</u>
Current liabilities				
Other liabilities	1,379	1,000	1,339	967
Tax payables	<u>2,481</u>	<u>1,814</u>	<u>2,464</u>	<u>1,814</u>
	<u>3,860</u>	<u>2,814</u>	<u>3,803</u>	<u>2,781</u>
Net current assets	<u>57,129</u>	<u>24,966</u>	<u>44,713</u>	<u>13,041</u>
Non-current liability				
Deferred tax liabilities	<u>1,236</u>	<u>2,127</u>	<u>1,236</u>	<u>2,127</u>
Total liabilities	<u>5,096</u>	<u>4,941</u>	<u>5,039</u>	<u>4,908</u>
	<u>377,735</u>	<u>365,170</u>	<u>373,319</u>	<u>361,245</u>
Equity				
Share capital	206,682	206,682	206,682	206,682
Merger reserve	15,189	15,189	15,189	15,189
Fair value reserve	57,834	53,688	57,834	53,688
Retained profits	<u>98,030</u>	<u>89,611</u>	<u>93,614</u>	<u>85,686</u>
	<u>377,735</u>	<u>365,170</u>	<u>373,319</u>	<u>361,245</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			
	30/09/2006		31/12/2005	
	\$'000	%	\$'000	%
Quoted Equity Investments	228,985	60.6	232,655	63.7
Other Quoted Investments	2,633	0.7	2,679	0.8
Quoted Bonds, Notes and Loan Stocks	55,527	14.7	62,436	17.1
Unquoted Equity Shares, Bonds, Notes, Loan Stocks and Unit Trusts	34,697	9.2	44,561	12.2
Trading Securities	7,894	2.1	5,559	1.5
Cash and Net Receivables	47,999	12.7	17,280	4.7
Total	377,735	100.0	365,170	100.0

Group Total Assets by Currency Mix

	30/09/2006	31/12/2005
	%	%
Singapore Dollar	46.9	42.5
United States Dollar	17.3	18.5
Japanese Yen	7.9	9.9
Swiss Franc	4.6	4.5
Australian Dollar	4.4	4.4
Korean Won	4.0	3.1
Hong Kong Dollar	3.5	2.9
Sterling Pound	3.4	2.8
Taiwan Dollar	2.4	1.3
Euro	1.9	3.3
Indonesian Rupiah	1.1	-
Malaysian Ringgit	1.0	3.3
Thai Baht	0.7	0.6
New Zealand Dollar	0.6	2.1
Indian Rupee	0.3	0.8
	100.0	100.0

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>30/09/2006</u>	<u>31/12/2005</u>
	%	%
Singapore	41.2	41.7
Japan	13.2	14.9
United States	10.1	7.2
Switzerland	7.7	7.0
Australia	6.0	6.0
South Korea	5.8	4.9
Taiwan	3.0	1.7
China	2.9	3.5
Hong Kong	2.3	0.8
Indonesia	1.8	-
Thailand	1.6	1.0
Malaysia	1.5	5.1
United Kingdom	0.6	0.5
France	0.6	3.0
India	0.5	1.3
Germany	0.4	1.0
Israel	0.4	-
Ireland	0.3	0.3
Finland	0.1	0.1
	<u>100.0</u>	<u>100.0</u>

Industry Mix of Quoted Equity Investments

	<u>30/09/2006</u>	<u>31/12/2005</u>
	%	%
Financials	36.7	34.4
Industrials	17.4	21.1
Consumer Goods	11.2	12.3
Information Technology	10.5	6.4
Healthcare	10.2	5.3
Materials	4.2	5.0
Real Estate Investment Trusts	3.9	4.1
Energy	3.1	9.3
Utilities	1.7	0.6
Telecom Services	1.1	1.5
	<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 30/09/2006

	<u>As % of Group Net Assets</u>
<u>Top Ten Equity Holdings</u>	
✓ United Overseas Bank Limited	8.9
✓ UOL Group Limited	4.7
✓ Keppel Corporation Limited	2.3
✓ CSL Limited	1.7
✓ DBS Group Holdings Limited	1.6
✓ Daewoo Shipbuilding & Marine Engineering Company Limited	1.6
✓ Toray Industries Incorporated	1.5
✓ Hana Financials Group Incorporated	1.5
✓ Singapore Post Limited	1.2
✓ Roche Holdings AG Gennusscheine NP	1.2
<u>Top Five Fixed Income/Unit Trusts Holdings</u>	
✓ United Kingdom Government Bond 7.25% Due 07/12/2007	2.4
✓ United Global Emerging Market Portfolio – SGD	2.0
✓ United Convertible Bond Fund – USD	1.6
✓ Singapore Treasury Bills Due 14/12/2006	1.3
✓ Singapore Government Bond 1.5% Due 01/04/2008	1.3

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 30/09/2006</u>		<u>As at 31/12/2005</u>	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

<u>As at 30/09/2006</u>		<u>As at 31/12/2005</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.

Unaudited consolidated cash flow statement for the nine months/third quarter ended 30 September 2006

	Group			
	9 months 2006 \$'000	9 months 2005 \$'000	3rd Quarter 2006 \$'000	3rd Quarter 2005 \$'000
Cash flows from operating activities				
Profit before tax	28,337	15,635	5,773	3,015
Adjustment for:				
(Profit)/loss on sale of non-current investments	(17,687)	(6,485)	(2,650)	224
Dividend income	(9,430)	(9,637)	(2,525)	(4,611)
Interest income	(3,469)	(3,645)	(1,221)	(940)
Unrealised (profit)/loss on trading securities	404	650	(545)	598
Dividend received	9,375	7,911	2,156	2,945
Interest received	3,461	4,477	1,011	1,396
Operating profit before working capital changes	10,991	8,906	1,999	2,627
Changes in working capital:				
Trading securities	(2,740)	(745)	184	(964)
Trade debtors and other assets	2,336	44	49	(25)
Trade creditors and other liabilities	377	248	146	206
Cash flows generated from operations	10,964	8,453	2,378	1,844
Income tax paid	(2,737)	(2,890)	(923)	(1,506)
Net cash flows from operating activities	8,227	5,563	1,455	338
Cash flows from investing activities				
Purchase of non-current investments	(142,263)	(144,087)	(48,538)	(47,153)
Proceeds from sale of non-current investments	183,975	159,181	55,991	52,081
Net cash flows from investing activities	41,712	15,094	7,453	4,928
Cash flows from financing activities				
Dividends paid	(16,535)	(16,121)	-	-
Net cash flows used in financing activities	(16,535)	(16,121)	-	-
Net increase in cash and cash equivalents	33,404	4,536	8,908	5,266
Cash and cash equivalents at the beginning of the financial period	16,178	18,686	40,674	17,956
Cash and cash equivalents at the end of the financial period	49,582	23,222	49,582	23,222

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.

	<u>Share capital</u> \$'000	<u>Merger reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
<u>Group</u>					
Balance at 1 January 2006	206,682	15,189	53,688	89,611	365,170
Revaluation deficit	-	-	(10,289)	-	(10,289)
Deferred tax on revaluation deficit	-	-	1,859	-	1,859
Net loss not recognised in profit and loss account	-	-	(8,430)	-	(8,430)
Profit for the financial period	-	-	-	19,951	19,951
Total recognised gains for the financial period	-	-	(8,430)	19,951	11,521
Dividend for 2005	-	-	-	(16,535)	(16,535)
Balance at 30 June 2006	<u>206,682</u>	<u>15,189</u>	<u>45,258</u>	<u>93,027</u>	<u>360,156</u>
Balance at 1 July 2006	206,682	15,189	45,258	93,027	360,156
Revaluation surplus	-	-	13,585	-	13,585
Deferred tax on revaluation surplus	-	-	(1,009)	-	(1,009)
Net gain not recognised in profit and loss account	-	-	12,576	-	12,576
Profit for the financial period	-	-	-	5,003	5,003
Total recognised gains and losses for the financial period	-	-	12,576	5,003	17,579
Balance at 30 September 2006	<u>206,682</u>	<u>15,189</u>	<u>57,834</u>	<u>98,030</u>	<u>377,735</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)

	Share <u>capital</u> \$'000	Merger <u>reserve</u> \$'000	Fair value <u>reserve</u> \$'000	Retained <u>profits</u> \$'000	<u>Total</u> \$'000
Group					
Balance at 1 January 2005					
- as previously stated	206,682	15,189	35,658	85,132	342,661
- effect of adopting FRS 39	-	-	-	841	841
- as restated	206,682	15,189	35,658	85,973	343,502
Revaluation surplus	-	-	9,104	-	9,104
Deferred tax on revaluation surplus	-	-	320	-	320
Net gain not recognised in profit and loss account	-	-	9,424	-	9,424
Profit for the financial period	-	-	-	10,900	10,900
Total recognised gains for the financial period	-	-	9,424	10,900	20,324
Dividend for 2004	-	-	-	(16,121)	(16,121)
Balance at 30 June 2005	206,682	15,189	45,082	80,752	347,705
Balance at 1 July 2005	206,682	15,189	45,082	80,752	347,705
Revaluation surplus	-	-	13,046	-	13,046
Deferred tax on revaluation surplus	-	-	(584)	-	(584)
Net gain not recognised in profit and loss account	-	-	12,462	-	12,462
Profit for the financial period	-	-	-	2,200	2,200
Total recognised gains for the financial period	-	-	12,462	2,200	14,662
Balance at 30 September 2005	206,682	15,189	57,544	82,952	362,367

- 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)

	<u>Share capital</u> \$'000	<u>Merger reserve</u> \$'000	<u>Fair value reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
<u>Company</u>					
Balance at 1 January 2006	206,682	15,189	53,688	85,686	361,245
Revaluation deficit	-	-	(10,289)	-	(10,289)
Deferred tax on revaluation deficit	-	-	1,859	-	1,859
Net loss not recognised in profit and loss account	-	-	(8,430)	-	(8,430)
Profit for the financial period	-	-	-	20,050	20,050
Total recognised gains for the financial period	-	-	(8,430)	20,050	11,620
Dividend for 2005	-	-	-	(16,535)	(16,535)
Balance at 30 June 2006	206,682	15,189	45,258	89,201	356,330
Balance at 1 July 2006	206,682	15,189	45,258	89,201	356,330
Revaluation surplus	-	-	13,585	-	13,585
Deferred tax on revaluation surplus	-	-	(1,009)	-	(1,009)
Net gain not recognised in profit and loss account	-	-	12,576	-	12,576
Profit for the financial period	-	-	-	4,413	4,413
Total recognised gains and losses for the financial period	-	-	12,576	4,413	16,989
Balance at 30 September 2006	206,682	15,189	57,834	93,614	373,319

- 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	Merger reserve \$'000	Fair value reserve \$'000	Retained profits \$'000	Total \$'000
Company					
Balance at 1 January 2005	206,682	15,189	35,658	81,690	339,219
Revaluation surplus	-	-	9,104	-	9,104
Deferred tax on revaluation surplus	-	-	320	-	320
Net gain not recognised in profit and loss account	-	-	9,424	-	9,424
Profit for the financial period	-	-	-	11,225	11,225
Total recognised gains for the financial period	-	-	9,424	11,225	20,649
Dividend for 2004	-	-	-	(16,121)	(16,121)
Balance at 30 June 2005	206,682	15,189	45,082	76,794	343,747
Balance at 1 July 2005	206,682	15,189	45,082	76,794	343,747
Revaluation surplus	-	-	13,046	-	13,046
Deferred tax on revaluation surplus	-	-	(584)	-	(584)
Net gain not recognised in profit and loss account	-	-	12,462	-	12,462
Profit for the financial period	-	-	-	2,551	2,551
Total recognised gains for the financial period	-	-	12,462	2,551	15,013
Balance at 30 September 2005	206,682	15,189	57,544	79,345	358,760

- 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			
	<u>9 months</u>	<u>9 months</u>	<u>3rd Quarter</u>	<u>3rd Quarter</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Cents	Cents	Cents	Cents
Earnings per share *				
(a) Based on the weighted average number of ordinary shares in issue	16.10	8.45	9.68	4.26
(b) On a fully diluted basis	16.10	8.45	9.68	4.26

* 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>30/09/2006</u>	<u>31/12/2005</u>	<u>30/09/2006</u>	<u>31/12/2005</u>
	\$	\$	\$	\$
Net asset value per share	1.83	1.77	1.81	1.75

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.**

Nine months 2006 vs Nine Months 2005

The Group recorded a higher profit after tax of \$25.0 million in the first nine months of 2006 as compared to \$13.1 million recorded in the first nine months of 2005. The increase in net profit of \$11.9 million or 90.5% was due largely to higher profit on sale of investments.

Group shareholders' funds increased by 3.4% from \$365.2 million as at last year-end to \$377.7 million as at 30 September 2006 due mainly to net profit achieved in the current period and higher revaluation gain on non-current investments. Consequently, net asset value per share increased from \$1.77 as at last year-end to \$1.83 as at 30 September 2006.

Third Quarter 2006 vs Third Quarter 2005

For the third quarter of 2006, the Group registered a net profit of \$5.0 million as compared to net profit of \$2.2 million in the third quarter of 2005. The increase of \$2.8 million or 127.4% was due largely to profit on sale of investments, as opposed to losses in the same quarter last year, partly offset by lower dividend income.

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.**

Global economic growth continues to moderate but the risk of a recession is currently low as companies remain in good health and the labour market is firm. With inflation fears receding following the decline in commodity prices, central banks will have the flexibility to adopt less restrictive monetary policies. Geopolitical risk and the downturn in the US housing market however remain a concern.

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 period ended 30 September 2006.

**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		

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the nine months/third quarter ended 30 September 2006 to be false or misleading.

BY ORDER OF THE BOARD

Mrs Vivien Chan
Company Secretary
Dated this 20th day of October 2006