

Second 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 six months/second quarter ended 30 June 2006

	Group					
	1st Half 2006 \$'000	1st Half 2005 \$'000	Incr/ (Decr) %	2nd Quarter 2006 \$'000	2nd Quarter 2005 \$'000	Incr/ (Decr) %
Profit on sale of non-current investments	15,037	6,709	124.1	5,191	5,237	(0.9)
Profit/(loss) on trading securities	486	362	34.3	(233)	200	(216.5)
	15,523	7,071	119.5	4,958	5,437	(8.8)
Dividends	6,905	5,026	37.4	4,305	3,560	20.9
Other operating income						
Interest and other income	2,251	2,705	(16.8)	1,099	1,314	(16.4)
Foreign exchange loss	(16)	(216)	92.6	(188)	(22)	(754.5)
Operating revenue	24,663	14,586	69.1	10,174	10,289	(1.1)
Less: Operating expenses	2,099	1,966	6.8	1,063	1,018	4.4
Profit before tax	22,564	12,620	78.8	9,111	9,271	(1.7)
Less: Tax	2,613	1,720	51.9	1,672	1,186	41.0
Net profit	19,951	10,900	83.0	7,439	8,085	(8.0)

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.

Unaudited Balance Sheets as at 30 June 2006

	Group		Company	
	As at 30/06/2006	As at 31/12/2005	As at 30/06/2006	As at 31/12/2005
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	8,000	8,000
Investments	<u>313,058</u>	<u>342,331</u>	<u>313,058</u>	<u>342,331</u>
	313,058	342,331	321,058	350,331
Current assets				
Trading securities	7,534	5,559	-	-
Trade debtors	1,043	825	662	517
Balances with UOB Group	35,524	15,264	33,000	10,231
Balances with other banks	5,150	914	4,542	619
Other assets	1,987	5,218	1,172	4,455
	<u>51,238</u>	<u>27,780</u>	<u>39,376</u>	<u>15,822</u>
Total assets	364,296	370,111	360,434	366,153
Current liabilities				
Other liabilities	1,231	1,000	1,195	967
Tax payables	2,766	1,814	2,766	1,814
	<u>3,997</u>	<u>2,814</u>	<u>3,961</u>	<u>2,781</u>
Net current assets	47,241	24,966	35,415	13,041
Non-current liability				
Deferred tax liabilities	143	2,127	143	2,127
	<u>143</u>	<u>2,127</u>	<u>143</u>	<u>2,127</u>
Total liabilities	4,140	4,941	4,104	4,908
	<u>360,156</u>	<u>365,170</u>	<u>356,330</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	45,258	53,688	45,258	53,688
Retained profits	93,027	89,611	89,201	85,686
	<u>360,156</u>	<u>365,170</u>	<u>356,330</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			
	30/06/2006		31/12/2005	
	\$'000	%	\$'000	%
Quoted Equity Investments	224,194	62.2	232,655	63.7
Other Quoted Investments	2,632	0.8	2,679	0.8
Quoted Bonds, Notes and Loan Stocks	49,686	13.8	62,436	17.1
Unquoted Equity Shares, Bonds, Notes, Loan Stocks and Unit Trusts	36,546	10.1	44,561	12.2
Trading Securities	7,534	2.1	5,559	1.5
Cash and Net Receivables	39,564	11.0	17,280	4.7
Total	360,156	100.0	365,170	100.0

Group Total Assets by Currency Mix

	30/06/2006	31/12/2005
	%	%
Singapore Dollar	46.4	42.5
United States Dollar *	18.0	18.5
Korean Won	6.8	3.1
Japanese Yen	6.3	9.9
Swiss Franc	4.5	4.5
Australian Dollar	4.0	4.4
Hong Kong Dollar	3.8	2.9
Sterling Pound	2.8	2.8
Malaysian Ringgit	1.7	3.3
Indonesian Rupiah	1.7	-
Euro	1.7	3.3
Taiwan Dollar	0.9	1.3
Indian Rupee	0.9	0.8
Thai Baht	0.4	0.6
Philippines Pesos	0.1	-
New Zealand Dollar	-	2.1
	100.0	100.0

* As at 30 June 2006, the USD currency holdings have been covered against SGD, reducing the exposure from 18.0% to 17.8% (31/12/05: 18.5% to 14.1%).

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>30/06/2006</u>	<u>31/12/2005</u>
	%	%
Singapore	39.6	41.7
South Korea	10.4	4.9
Japan	10.2	14.9
United States	9.9	7.2
Switzerland	7.3	7.0
Australia	5.4	6.0
Hong Kong	2.9	0.8
Malaysia	2.8	5.1
Indonesia	2.4	-
China	2.3	3.5
India	1.4	1.3
Taiwan	1.4	1.7
Thailand	1.1	1.0
France	1.0	3.0
United Kingdom	0.6	0.5
Germany	0.4	1.0
Israel	0.4	-
Ireland	0.3	0.3
Finland	0.2	0.1
	<u>100.0</u>	<u>100.0</u>

Industry Mix of Quoted Equity Investments

	<u>30/06/2006</u>	<u>31/12/2005</u>
	%	%
Financials	35.5	34.4
Industrials	22.4	21.1
Consumer Goods	13.5	12.3
Healthcare	9.2	5.3
Information Technology	6.8	6.4
Real Estate Investment Trusts	4.2	4.1
Energy	3.0	9.3
Utilities	2.1	0.6
Materials	1.9	5.0
Telecom Services	1.4	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 30/06/2006

	<u>As % of Group Net Assets</u>
<u>Top Ten Equity Holdings</u>	
United Overseas Bank Limited	8.9
UOL Group Limited	4.0
Keppel Corporation Limited	2.4
Samsung Electronics Company Limited	2.0
Shinsegae Company Limited	1.9
DBS Group Holdings Limited	1.6
CSL Limited	1.6
Daewoo Shipbuilding & Marine Engineering Company Limited	1.5
BHP Billiton 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	2.5
United Global Emerging Market Portfolio – SGD	2.0
United Convertible Bond Fund – USD	1.6
Singapore Government Bond 1.75% Due 01/02/2007	1.4
Singapore Government Bond 1.5% Due 01/04/2008	1.4

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

Amount repayable in one year or less, or on demand

As at 30/06/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

As at 30/06/2006		As at 31/12/2005	
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 six months/second quarter ended 30 June 2006

	Group			
	1st Half 2006 \$'000	1st Half 2005 \$'000	2nd Quarter 2006 \$'000	2nd Quarter 2005 \$'000
Cash flows from operating activities				
Profit before tax	22,564	12,620	9,111	9,271
Adjustment for:				
Profit on sale of non-current investments	(15,037)	(6,709)	(5,191)	(5,237)
Dividend income	(6,905)	(5,026)	(4,305)	(3,560)
Interest income	(2,248)	(2,705)	(1,097)	(1,314)
Unrealised loss on trading securities	949	52	724	115
Dividend received	7,219	4,966	4,508	3,791
Interest received	2,450	3,081	1,093	1,472
Operating profit before working capital changes	8,992	6,279	4,843	4,538
Changes in working capital:				
Trading securities	(2,924)	219	3,050	1,414
Trade debtors and other assets	2,287	69	(291)	(241)
Trade creditors and other liabilities	231	42	(126)	(60)
Cash flows generated from operations	8,586	6,609	7,476	5,651
Income tax paid	(1,814)	(1,384)	(1,386)	(1,307)
Net cash flows from operating activities	6,772	5,225	6,090	4,344
Cash flows from investing activities				
Purchase of non-current investments	(93,725)	(96,934)	(37,754)	(58,139)
Proceeds from sale of non-current investments	127,984	107,100	61,934	70,725
Net cash flows from investing activities	34,259	10,166	24,180	12,586
Cash flows from financing activities				
Dividends paid	(16,535)	(16,121)	(16,535)	(16,121)
Net cash flows used in financing activities	(16,535)	(16,121)	(16,535)	(16,121)
Net increase/(decrease) in cash and cash equivalents	24,496	(730)	13,735	809
Cash and cash equivalents at the beginning of the financial period	16,178	18,686	26,939	17,147
Cash and cash equivalents at the end of the financial period	40,674	17,956	40,674	17,956

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
Group					
Balance at 1 January 2006	206,682	15,189	53,688	89,611	365,170
Revaluation surplus	-	-	6,295	-	6,295
Deferred tax on revaluation gains	-	-	(410)	-	(410)
Net gain not recognised in profit and loss account	-	-	5,885	-	5,885
Profit for the financial period	-	-	-	12,512	12,512
Total recognised gains for the financial period	-	-	5,885	12,512	18,397
Balance at 31 March 2006	206,682	15,189	59,573	102,123	383,567
Balance at 1 April 2006	206,682	15,189	59,573	102,123	383,567
Revaluation deficit	-	-	(16,584)	-	(16,584)
Deferred tax on revaluation losses	-	-	2,269	-	2,269
Net loss not recognised in profit and loss account	-	-	(14,315)	-	(14,315)
Profit for the financial period	-	-	-	7,439	7,439
Total recognised gains and losses for the financial period	-	-	(14,315)	7,439	(6,876)
Dividend for 2005	-	-	-	(16,535)	(16,535)
Balance at 30 June 2006	206,682	15,189	45,258	93,027	360,156

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
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	-	-	4,594	-	4,594
Deferred tax on revaluation gains	-	-	386	-	386
Net gain not recognised in profit and loss account	-	-	4,980	-	4,980
Profit for the financial period	-	-	-	2,815	2,815
Total recognised gains for the financial period	-	-	4,980	2,815	7,795
Balance at 31 March 2005	206,682	15,189	40,638	88,788	351,297
Balance at 1 April 2005	206,682	15,189	40,638	88,788	351,297
Revaluation surplus	-	-	4,510	-	4,510
Deferred tax on revaluation gains	-	-	(66)	-	(66)
Net gain not recognised in profit and loss account	-	-	4,444	-	4,444
Profit for the financial period	-	-	-	8,085	8,085
Total recognised gains for the financial period	-	-	4,444	8,085	12,529
Dividend for 2004	-	-	-	(16,121)	(16,121)
Balance at 30 June 2005	206,682	15,189	45,082	80,752	347,705

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
Company					
Balance at 1 January 2006	206,682	15,189	53,688	85,686	361,245
Revaluation surplus	-	-	6,295	-	6,295
Deferred tax on revaluation gains	-	-	(410)	-	(410)
Net gain not recognised in profit and loss account	-	-	5,885	-	5,885
Profit for the financial period	-	-	-	11,627	11,627
Total recognised gains for the financial period	-	-	5,885	11,627	17,512
Balance at 31 March 2006	206,682	15,189	59,573	97,313	378,757
Balance at 1 April 2006	206,682	15,189	59,573	97,313	378,757
Revaluation deficit	-	-	(16,584)	-	(16,584)
Deferred tax on revaluation losses	-	-	2,269	-	2,269
Net loss not recognised in profit and loss account	-	-	(14,315)	-	(14,315)
Profit for the financial period	-	-	-	8,423	8,423
Total recognised gains and losses for the financial period	-	-	(14,315)	8,423	(5,892)
Dividend for 2005	-	-	-	(16,535)	(16,535)
Balance at 30 June 2006	206,682	15,189	45,258	89,201	356,330

- 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
Company					
Balance at 1 January 2005	206,682	15,189	35,658	81,690	339,219
Revaluation surplus	-	-	4,594	-	4,594
Deferred tax on revaluation gains	-	-	386	-	386
Net gain not recognised in profit and loss account	-	-	4,980	-	4,980
Profit for the financial period	-	-	-	2,606	2,606
Total recognised gains for the financial period	-	-	4,980	2,606	7,586
Balance at 31 March 2005	206,682	15,189	40,638	84,296	346,805
Balance at 1 April 2005	206,682	15,189	40,638	84,296	346,805
Revaluation surplus	-	-	4,510	-	4,510
Deferred tax on revaluation gains	-	-	(66)	-	(66)
Net gain not recognised in profit and loss account	-	-	4,444	-	4,444
Profit for the financial period	-	-	-	8,619	8,619
Total recognised gains for the financial period	-	-	4,444	8,619	13,063
Dividend for 2004	-	-	-	(16,121)	(16,121)
Balance at 30 June 2005	206,682	15,189	45,082	76,794	343,747

- 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>1st Half</u> <u>2006</u> Cents	<u>1st Half</u> <u>2005</u> Cents	<u>2nd Quarter</u> <u>2006</u> Cents	<u>2nd Quarter</u> <u>2005</u> Cents
Earnings per share *				
(a) Based on the weighted average number of ordinary shares in issue	19.31	10.55	14.40	15.65
(b) On a fully diluted basis	19.31	10.55	14.40	15.65

* 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>30/06/2006</u> \$	<u>31/12/2005</u> \$	<u>30/06/2006</u> \$	<u>31/12/2005</u> \$
Net asset value per share	1.74	1.77	1.72	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.**

First Half 2006 vs First Half 2005

The Group recorded a higher profit after tax of \$20.0 million in the first half of 2006 as compared to \$10.9 million recorded in the first half of 2005. The increase in net profit of \$9.1 million or 83.0% was due largely to higher profit on sale of investments and dividend income.

Group shareholders' funds decreased by 1.4% from \$365.2 million as at last year-end to \$360.2 million as at 30 June 2006 due mainly to lower revaluation gain on non-current investments. Consequently, net asset value per share decreased from \$1.77 as at last year-end to \$1.74 as at 30 June 2006.

Second Quarter 2006 vs Second Quarter 2005

For the second quarter of 2006, the Group registered a net profit of \$7.4 million as compared to net profit of \$8.1 million in the second quarter of 2005. The drop of \$0.7 million or 8.0% was due largely to higher tax provision required on the investment profits.

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.**

After a period of robust expansion, the level of global economic growth has moderated. So far strong corporate profits have supported general hiring and capital spending. However, high commodity prices are placing upward pressures on inflation, and the central banks may tighten monetary policy more than anticipated. The current interest rates in real terms are nevertheless still relatively low and not at levels considered restrictive to economic activity. The overall rise in uncertainty has led to some decline in risk appetite among investors and markets, in particular emerging markets, may exhibit greater volatility.

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

BY ORDER OF THE BOARD

Mrs Vivien Chan
Company Secretary
Dated this 26th day of July 2006