

Second Quarter 2005 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 2005

	Group					
	1st Half	1st Half	Incr/	2nd Quarter	2nd Quarter	Incr/
	2005	2004	(Decr)	2005	2004	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit on sale of non-current investments	6,709	1,492	349.7	5,237	(53)	nm
Profit on sale of trading securities	414	1,210	(65.8)	315	69	356.5
Profit on sale of investments	7,123	2,702	163.6	5,552	16	nm
Unrealised loss on trading securities ¹	(52)	-	nm	(115)	-	nm
Dividends	5,026	3,546	41.7	3,560	3,021	17.8
Other operating income						
Interest and other income	2,705	1,233	119.4	1,314	659	99.4
Foreign exchange loss	(216)	(616)	64.9	(22)	(578)	96.2
Operating revenue	14,586	6,865	112.5	10,289	3,118	230.0
Operating expenses	(1,966)	(1,366)	(43.9)	(1,018)	(696)	(46.3)
Profit before tax	12,620	5,499	129.5	9,271	2,422	282.8
Tax	(1,720)	(1,283)	(34.1)	(1,186)	(654)	(81.3)
Net profit	10,900	4,216	158.5	8,085	1,768	357.3

nm: not meaningful

Note 1: With effect from 1 January 2005, trading securities are measured at fair value ("marked-to-market" value) in compliance with the new Financial Reporting Standard ("FRS") 39: "Financial Instruments - Recognition and Measurement". (See items 4 & 5 below).

2: Following the Company's acquisition of OUS and its subsequent merger into the Company in second half of 2004, the first half 2005 results reflect the operations of the combined entity and should be reviewed in this context.

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 2005

	Group		Company	
	As at	As at	As at	As at
	30/06/2005	31/12/2004	30/06/2005	31/12/2004
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	8,000	8,000
Investments	326,405	320,192	326,405	320,192
	326,405	320,192	334,405	328,192
Current assets				
Trading securities	5,902	5,318	-	-
Trade debtors	831	594	523	298
Deposits/balances with UOB Group	5,769	15,394	2,713	10,444
Balances with other banks	12,187	3,292	10,252	3,188
Other assets	2,274	3,462	1,482	2,646
	26,963	28,060	14,970	16,576
Total assets	353,368	348,252	349,375	344,768
Current liabilities				
Other liabilities	1,149	1,094	1,114	1,052
Tax payables	2,212	1,917	2,212	1,917
	3,361	3,011	3,326	2,969
Net current assets	23,602	25,049	11,644	13,607
Non-current liability				
Deferred tax liabilities	2,302	2,580	2,302	2,580
Total liabilities	5,663	5,591	5,628	5,549
	347,705	342,661	343,747	339,219
Shareholders' equity				
Share capital	206,682	206,682	206,682	206,682
Merger reserve	15,189	15,189	15,189	15,189
Available for sale (AFS) reserve *	45,082	35,658	45,082	35,658
Retained profits	80,752	85,132	76,794	81,690
	347,705	342,661	343,747	339,219

* Previously known as "Unrealised surplus on revaluation of investments".

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			
	30/06/2005		31/12/2004	
	\$'000	%	\$'000	%
Quoted Equity Investments	236,673	68.0	208,617	60.9
Other Quoted Investments	2,688	0.8	1,691	0.5
Quoted Bonds, Notes, Loan Stocks and Unit Trusts	59,194	17.0	74,553	21.7
Unquoted Bonds, Notes, Loan Stocks and Unit Trusts	27,850	8.0	35,331	10.3
Trading Securities	5,902	1.7	5,318	1.5
Cash and Net Receivables	15,398	4.5	17,151	5.1
Total	347,705	100.0	342,661	100.0

Group Total Assets by Currency Mix

	30/06/2005	31/12/2004
	%	%
Singapore Dollar	40.1	38.0
United States Dollar	21.2	22.8
Japanese Yen	8.2	7.4
Australian Dollar	6.8	8.2
Taiwan Dollar	5.0	1.0
Korean Won	4.1	4.8
Malaysian Ringgit	3.8	3.3
Euro	3.0	2.5
Swiss Franc	3.0	2.1
Hong Kong Dollar	2.3	3.9
Indonesian Rupiah	1.7	1.9
Thai Baht	0.4	0.4
Sterling Pound	0.4	0.5
New Zealand Dollar	-	3.2
	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>30/06/2005</u>	<u>31/12/2004</u>
	%	%
Singapore	42.5	41.5
Japan	12.0	12.2
Australia	9.3	7.9
United States	7.4	9.2
South Korea	6.2	9.3
Malaysia	5.6	5.5
Taiwan	4.9	1.5
Switzerland	4.3	3.5
China	2.9	4.5
Germany	2.0	0.3
France	1.2	1.1
United Kingdom	0.6	0.7
Thailand	0.6	0.6
Ireland	0.3	0.3
Finland	0.1	0.1
Hong Kong	0.1	1.6
Indonesia	-	0.2
	<u>100.0</u>	<u>100.0</u>

Industry Mix of Quoted Equity Investments

	<u>30/06/2005</u>	<u>31/12/2004</u>
	%	%
Financials	30.3	35.8
Industrials	26.7	15.9
Consumer Goods	14.3	13.9
Information Technology	8.8	11.9
Energy	7.4	8.6
Real Estate Investment Trusts	4.6	1.6
Healthcare	3.6	4.5
Materials	2.3	6.1
Utilities	2.0	1.5
Telecom Services	-	0.2
	<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 30/06/2005

	<u>As % of Group Net Assets</u>
<u>Top Ten Equity/Unit Trusts Holdings</u>	
United Overseas Bank Limited	8.5
United Overseas Land Limited	3.5
Great Southern Plantations Limited	2.7
Maquarie International Infrastructure Fund Limited	2.5
Shell Refining Company (Federal of Malaya) Berhad	2.5
Overseas Union Enterprise Limited	1.8
Oversea-Chinese Banking Corporation Limited	1.5
Bayersche Motoren Werke AG.	1.4
Korea Tobacco & Ginseng Corporation	1.3
Jaya Holdings Limited	1.3
<u>Top Five Fixed Income/Unit Trusts Holdings</u>	
United Global Emerging Market Portfolio - SGD	2.1
United Convertible Bond Fund – USD	1.7
Russia Federation Bond 8.25% Due 31/03/2010	0.8
Singapore Government Bond 4.375% Due 15/01/2009	0.8
Indonesia Recapital Bond 12.25% Due 15/07/2007	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 30/06/2005		As at 31/12/2004	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

As at 30/06/2005		As at 31/12/2004	
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 2005

	Group			
	1st Half	1st Half	2nd Quarter	2nd Quarter
	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	12,620	5,499	9,271	2,422
Adjustment for:				
Profit on sale of non-current investments	(6,709)	(1,492)	(5,237)	53
Dividend income	(5,026)	(3,546)	(3,560)	(3,021)
Interest income	(2,705)	(1,233)	(1,314)	(659)
Unrealised profit on trading securities	52	-	115	-
Dividend received	4,966	3,730	3,791	3,073
Interest received	3,081	1,176	1,472	562
Operating cash flow before working capital changes	6,279	4,134	4,538	2,430
Changes in working capital:				
Trading securities	219	4,273	1,414	5,429
Trade debtors and other assets	69	(1,494)	(241)	1,246
Trade creditors and other liabilities	42	(10)	(60)	(589)
Cash generated from operations	6,609	6,903	5,651	8,516
Income tax paid	(1,384)	(1,871)	(1,307)	(1,495)
Net cash inflow from operating activities	5,225	5,032	4,344	7,021
Cash flows from investing activities				
Purchase of non-current investments	(96,934)	(54,906)	(58,139)	(26,566)
Proceeds from sale of non-current investments	107,100	70,101	70,725	43,409
Net cash inflow from investing activities	10,166	15,195	12,586	16,843
Cash flows from financing activities				
Dividends paid	(16,121)	(8,064)	(16,121)	(8,064)
Net cash outflow from financing activities	(16,121)	(8,064)	(16,121)	(8,064)
Net (decrease)/increase in cash and cash equivalents	(730)	12,163	809	15,800
Cash and cash equivalents at the beginning of the financial period	18,686	17,254	17,147	13,617
Cash and cash equivalents at the end of the financial period	17,956	29,417	17,956	29,417

- 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.**

Group	Share capital \$'000	Merger reserve \$'000	AFS reserve \$'000	Retained profits \$'000	Total \$'000
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	-	-	386	-	386
Net gain not recognised in profit and loss account	-	-	4,980	-	4,980
Net 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	-	-	(66)	-	(66)
Net gain not recognised in profit and loss account	-	-	4,444	-	4,444
Net 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>AFS reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
<u>Group</u>				
Balance at 1 January 2004	139,042	22,816	56,322	218,180
Revaluation surplus	-	982	-	982
Deferred tax on revaluation	-	454	-	454
Net gain not recognised in profit and loss account	-	1,436	-	1,436
Net profit for the financial period	-	-	2,448	2,448
Total recognised gains for the financial period	-	1,436	2,448	3,884
Balance at 31 March 2004	139,042	24,252	58,770	222,064
Balance at 1 April 2004	139,042	24,252	58,770	222,064
Revaluation surplus	-	1,100	-	1,100
Deferred tax on revaluation	-	340	-	340
Net gain not recognised in profit and loss account	-	1,440	-	1,440
Net profit for the financial period	-	-	1,768	1,768
Total recognised gains for the financial period	-	1,440	1,768	3,208
Dividend for 2003	-	-	(8,064)	(8,064)
Balance at 30 June 2004	139,042	25,692	52,474	217,208

- 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>Company</u>	<u>Share capital</u> \$'000	<u>Merger reserve</u> \$'000	<u>AFS reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
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	-	-	386	-	386
Net gain not recognised in profit and loss account	-	-	4,980	-	4,980
Net 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	-	-	(66)	-	(66)
Net gain not recognised in profit and loss account	-	-	4,444	-	4,444
Net 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)(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>Company</u>	<u>Share capital</u> \$'000	<u>AFS reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2004	139,042	22,816	55,131	216,989
Revaluation surplus	-	982	-	982
Deferred tax on revaluation	-	454	-	454
Net gain not recognised in profit and loss account	-	1,436	-	1,436
Net profit for the financial period	-	-	1,296	1,296
Total recognised gains for the financial period	-	1,436	1,296	2,732
Balance at 31 March 2004	139,042	24,252	56,427	219,721
Balance at 1 April 2004	139,042	24,252	56,427	219,721
Revaluation surplus	-	1,100	-	1,100
Deferred tax on revaluation	-	340	-	340
Net gain not recognised in profit and loss account	-	1,440	-	1,440
Net profit for the financial period	-	-	1,659	1,659
Total recognised gains for the financial period	-	1,440	1,659	3,099
Dividend for 2003	-	-	(8,064)	(8,064)
Balance at 30 June 2004	139,042	25,692	50,022	214,756

- 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, except for the measurement at fair value ("marked-to-market" value) of the trading securities.

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 2005, the Group has changed its accounting policy to comply with the new FRS 39: "Financial Instruments - Recognition and Measurement".

Trading securities are designated as "held-for-trading" and measured at their fair values. Changes in the fair values of trading securities are recorded in the profit and loss account for the period. Prior to 1 January 2005, the trading securities were stated at the lower of their cost and market value determined on an aggregate basis and any provision for diminution in value of trading securities was taken up in the profit and loss account.

As the new accounting policy was applied prospectively from 1 January 2005, the difference between the previous carrying amount and the fair value of the trading securities as at 1 January 2005 was adjusted to retained earnings as at 1 January 2005.

The adjustments to restate the opening balances as at 1 January 2005 were as follows:

	<u>Group</u> \$'000
Increase in trading securities	841
Increase in retained earnings	841

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.**

	<u>Group</u>			
	<u>1st Half</u> <u>2005</u> Cents	<u>1st Half</u> <u>2004</u> Cents	<u>2nd Quarter</u> <u>2005</u> Cents	<u>2nd Quarter</u> <u>2004</u> Cents
Earnings per share *				
(a) Based on the weighted average number of ordinary shares in issue	10.55	6.06	15.65	5.09
(b) On a fully diluted basis	10.55	6.06	15.65	5.09

* 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>30/06/2005</u>	<u>31/12/2004</u>	<u>30/06/2005</u>	<u>31/12/2004</u>
	\$	\$	\$	\$
Net asset value per share	1.68	1.66	1.66	1.64

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 2005 vs First Half 2004

The Group's net profit in the first half of 2005 was \$10.9 million as compared to \$4.2 million for the corresponding period last year. The increase in net profit of \$6.7 million or 158.5% was due largely to higher profit on sale of investments, higher dividend and interest income, partially offset by lower profit on sale of trading securities, higher management fees which resulted from the enlarged fund size and higher tax provision. Consequently, the annualised earnings per share rose from 6.06 cents in first half of 2004 to 10.55 cents in first half of 2005.

Group shareholders' funds increased by 1.5% from \$342.7 million as at last year-end to \$347.7 million as at 30 June 2005 due to higher revaluation gain on non-current investments. Consequently, NTA per share increased from \$1.66 as at last year-end to \$1.68 as at 30 June 2005. Without taking into account the dividend payment of \$16.1 million in May 2005, the net asset value would have been a higher \$1.76 per share, representing an increase of 6.0% over last year end.

Second Quarter 2005 vs Second Quarter 2004

For the second quarter of 2005, the Group registered net profit after tax of \$8.1 million which was \$6.3 million or 357.3% higher than the \$1.8 million profit recorded in the second quarter of 2004. The increase in net profit was due largely to higher profit on sale of investments.

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 remains firm and inflation has moderated. Financial conditions remain accommodative as long term interest rates continue to be low but they may not remain low for long if the Federal Reserve takes firmer action to cool the overheated US housing market.

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 2005.

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 22nd day of July 2005