



**Overseas Union Securities Limited**  
(Incorporated in Singapore)

**First Quarter 2003 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 three months ended 31 March

	Group		
	1 Q <u>2003</u> \$'000	1 Q <u>2002</u> \$'000	Increase / (Decrease) %
Profit on sale of non-current investments	255	3,350	(92.4)
(Loss)/profit on sale of trading securities	(55)	77	nm
Profit on sale of investments	200	3,427	(94.2)
Dividends	182	246	(26.0)
Other operating income			
Interest income	83	158	(47.5)
Foreign exchange gain/(loss)	13	(7)	nm
Operating revenue	478	3,824	(87.5)
Operating expenses	(260)	(296)	(12.2)
<b>Operating profit</b>	218	3,528	(93.8)
Writeback of provision for diminution in value of investments	14	49	(71.4)
<b>Profit before tax</b>	232	3,577	(93.5)
Tax	(32)	(773)	(95.9)
<b>Net profit</b>	200	2,804	(92.9)

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	
	31/03/2003	31/12/2002	31/03/2003	31/12/2002
	\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>				
Investment in subsidiary	-	-	5,000	5,000
Investments	74,977	75,524	74,977	75,524
	<u>74,977</u>	<u>75,524</u>	<u>79,977</u>	<u>80,524</u>
<b>Current assets</b>				
Trading securities	2,999	3,055	-	-
Deposits/balances with holding company	5,516	6,403	4,167	5,258
Deposits/balances with fellow subsidiary company	3	341	1	339
Deposits/balances with other banks	4,254	4,020	3,352	2,949
Deposits with other financial institutions	738	1,162	589	1,013
Amount due from subsidiary company (non-trade)	-	-	66	53
Other assets	164	344	142	322
	<u>13,674</u>	<u>15,325</u>	<u>8,317</u>	<u>9,934</u>
<b>Total assets</b>	<u>88,651</u>	<u>90,849</u>	<u>88,294</u>	<u>90,458</u>
<b>Current liabilities</b>				
Amount due to fellow subsidiary companies	446	218	444	218
Provision for tax	976	984	976	984
Other liabilities	274	251	256	236
	<u>1,696</u>	<u>1,453</u>	<u>1,676</u>	<u>1,438</u>
<b>Net current assets</b>	<u>11,978</u>	<u>13,872</u>	<u>6,641</u>	<u>8,496</u>
<b>Non-current liability</b>				
Provision for deferred tax	2,311	2,285	1,871	1,845
<b>Total liabilities</b>	<u>4,007</u>	<u>3,738</u>	<u>3,547</u>	<u>3,283</u>
	<u>84,644</u>	<u>87,111</u>	<u>84,747</u>	<u>87,175</u>
<b>Shareholders' equity</b>				
Share capital	39,063	39,063	39,063	39,063
Investment fluctuation reserve	24,391	24,391	24,391	24,391
Unrealised deficit on revaluation of investments	(2,977)	(285)	(2,977)	(285)
Exchange fluctuation reserve	1,201	1,176	1,201	1,176
Retained profits	22,966	22,766	23,069	22,830
	<u>84,644</u>	<u>87,111</u>	<u>84,747</u>	<u>87,175</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			
	<u>31/03/2003</u>		<u>31/12/2002</u>	
	\$'000	%	\$'000	%
Quoted equities and warrants	64,297	76.0	63,174	72.5
Quoted fixed income and other securities	10,680	12.6	12,350	14.2
Trading securities	2,999	3.5	3,055	3.5
Cash and net receivables	6,668	7.9	8,532	9.8
Total	84,644	100.0	87,111	100.0

**Group Total Assets by Currency Mix**

	<u>31/03/2003</u>	<u>31/12/2002</u>
	%	%
Singapore Dollar	64.3	63.0
Hong Kong Dollar	8.8	8.9
United States Dollar	6.5	9.1
Korean Won	4.6	3.2
Malaysian Ringgit	4.4	4.4
Australian Dollar	2.7	2.5
Japanese Yen	2.5	2.7
Taiwan Dollar	2.3	2.2
Others	3.9	4.0
	<u>100.0</u>	<u>100.0</u>

**Country Mix of Quoted Equities and Warrants**

	<u>31/03/2003</u>	<u>31/12/2002</u>
	%	%
Singapore	58.4	57.7
Hong Kong	9.6	11.0
South Korea	7.8	6.7
Malaysia	6.1	5.7
Japan	3.5	3.8
Australia	3.3	3.2
United States	3.1	3.4
Taiwan	2.9	2.9
Europe	2.7	3.0
Others	2.6	2.6
	<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)**

**Industry Mix of Quoted Equities and Warrants**

	<u>31/03/2003</u>	<u>31/12/2002</u>
	%	%
Industrial & Commercial	58.5	55.0
Finance	26.0	27.8
Properties	9.5	10.9
Hotel	6.0	6.3
	<u>100.0</u>	<u>100.0</u>

**Ten Largest Investment Holdings as at 31/03/2003**

	<u>As % of Group Net Assets</u>
Singapore Press Holdings Ltd	6.9
Oversea-Chinese Banking Corporation Ltd	6.9
6% DBS Bank Non-Cumulative Preference Shares	6.2
Overseas Union Enterprise Ltd	4.6
DBS Group Holdings Ltd	3.9
Singapore Technologies Engineering Ltd	3.5
Singapore Airlines Ltd	3.2
City Developments Ltd	3.1
Keppel Corporation Ltd	2.6
4.815% CDL Properties Ltd Bonds due 31-01-2006	2.5

**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 31/03/2003</u>		<u>As at 31/12/2002</u>	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

**Amount repayable after one year**

<u>As at 31/03/2003</u>		<u>As at 31/12/2002</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**

Consolidated cash flow statement for the three months ended 31 March

	Group	
	1 Q	1 Q
	<u>2003</u>	<u>2002</u>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Net profit before tax	232	3,577
Adjustment for:		
Profit on sale of non-current investments	(255)	(3,350)
Dividend income	(182)	(246)
Interest income	(83)	(158)
Writeback of provision for diminution in value of trading securities	(14)	(49)
Dividend received	335	181
Interest received	111	247
Operating cash flow before working capital changes	<u>144</u>	<u>202</u>
Changes in working capital:		
Trading securities	70	(1,401)
Other assets	-	(55)
Amount due to fellow subsidiary companies	228	265
Other liabilities	23	43
Cash generated from/(used in) operations	<u>465</u>	<u>(946)</u>
Income tax paid	(32)	(70)
<b>Net cash inflow/(outflow) from operating activities</b>	<u>433</u>	<u>(1,016)</u>
<b>Cash flows from investing activities</b>		
Purchase of non-current investments	(4,024)	(597)
Proceeds from sale of non-current investments	<u>2,151</u>	<u>1,019</u>
<b>Net cash (outflow)/inflow from investing activities</b>	<u>(1,873)</u>	<u>422</u>
Exchange translation adjustment	25	(6)
<b>Net decrease in cash and cash equivalents</b>	<u>(1,415)</u>	<u>(600)</u>
<b>Cash and cash equivalents at the beginning of the financial period</b>	11,926	22,657
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>10,511</u></u>	<u><u>22,057</u></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**

<b>Group</b>	<b>Share capital</b>	<b>Investment fluctuation reserve</b>	<b>Unrealised (deficit)/ surplus on revaluation of investments</b>	<b>Exchange fluctuation reserve</b>	<b>Retained profits</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 January 2003	39,063	24,391	(285)	1,176	22,766	87,111
Revaluation deficit	-	-	(2,675)	-	-	(2,675)
Deferred tax on revaluation	-	-	(17)	-	-	(17)
Net exchange gain	-	-	-	25	-	25
Net gains and losses not recognised in income statement	-	-	(2,692)	25	-	(2,667)
Net profit	-	-	-	-	200	200
Total recognised gains and losses for the financial period	-	-	(2,692)	25	200	(2,467)
Balance at 31 March 2003	39,063	24,391	(2,977)	1,201	22,966	84,644
Balance at 1 January 2002	39,063	24,391	13,267	1,298	21,406	99,425
Revaluation surplus	-	-	2,978	-	-	2,978
Deferred tax on revaluation	-	-	80	-	-	80
Net exchange loss	-	-	-	(6)	-	(6)
Net gains and losses not recognised in income statement	-	-	3,058	(6)	-	3,052
Net profit	-	-	-	-	2,804	2,804
Total recognised gains and losses for the financial period	-	-	3,058	(6)	2,804	5,856
Balance at 31 March 2002	39,063	24,391	16,325	1,292	24,210	105,281

**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	Investment fluctuation reserve \$'000	Unrealised (deficit)/ surplus on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
<b><u>Company</u></b>						
Balance at 1 January 2003	39,063	24,391	(285)	1,176	22,830	87,175
Revaluation deficit	-	-	(2,675)	-	-	(2,675)
Deferred tax on revaluation	-	-	(17)	-	-	(17)
Net exchange gain	-	-	-	25	-	25
Net gains and losses not recognised in income statement	-	-	(2,692)	25	-	(2,667)
Net profit	-	-	-	-	239	239
Total recognised gains and losses for the financial period	-	-	(2,692)	25	239	(2,428)
Balance at 31 March 2003	39,063	24,391	(2,977)	1,201	23,069	84,747
Balance at 1 January 2002	39,063	24,391	13,267	1,298	20,841	98,860
Revaluation surplus	-	-	2,978	-	-	2,978
Deferred tax on revaluation	-	-	80	-	-	80
Net exchange loss	-	-	-	(6)	-	(6)
Net gains and losses not recognised in income statement	-	-	3,058	(6)	-	3,052
Net profit	-	-	-	-	2,688	2,688
Total recognised gains and losses for the financial period	-	-	3,058	(6)	2,688	5,740
Balance at 31 March 2002	39,063	24,391	16,325	1,292	23,529	104,600

**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 standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard**

These 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 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	1 Q <u>2003</u> Cents	1 Q <u>2002</u> Cents
<b>Earnings per share *</b>		
(a) Based on the weighted average number of ordinary shares on issue	2.05	28.71
(b) On a fully diluted basis	2.05	28.71

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

	Group		Company	
	<u>31/03/2003</u> \$	<u>31/12/2002</u> \$	<u>31/03/2003</u> \$	<u>31/12/2002</u> \$
Net asset value per share	2.17	2.23	2.17	2.23

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss 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 \$0.2 million for the first quarter of 2003, representing a decline of \$2.6 million or 92.9% over the same period last year. The drop in profit was due mainly to lower profit on sale of investments coupled with lower interest and dividend income. As a result, earnings per share dipped to 2.05 cents from 28.71 cents in the first quarter 2002.

Shareholders' funds of the Group decreased by \$2.5 million from \$87.1 million as at last year-end to \$84.6 million which was attributed to higher unrealised revaluation loss on non-current investments. Consequently, Group net asset value per share fell 2.7% from \$2.23 as at last year-end to \$2.17.

In the opinion of the Directors, no item, transaction or event of a material or unusual nature has arisen in the interval between 31 March 2003 and the date of this announcement which is likely to affect substantially the results of the Group for the current financial period.



- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

- 10. A commentary at the date of the announcement of the 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**

During the quarter, equities markets were weak due to the developments in Middle-East, high energy prices, and a slew of poor economic indicators. As a result, markets drifted lower in the initial months of the quarter before rebounding on expectations of a swift conclusion to the Iraqi war. Non-Japan Asian equities were weaker due to tension in the Korean Peninsula and the SARS (Severe Acute Respiratory Syndrome) pandemic. By the end of the quarter, the STI Index has fallen by 5.5%, while the S&P500 and MSCI Europe 15 index declined 1.9% and 8.3% respectively in Singapore dollar terms. In Japan, the TOPIX index reached a 20-year low in the first quarter before rebounding to end the quarter down 4.6%, while non-Japan Asia fell 6.9% in Singapore dollar terms.

- 11. Dividend**

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

Any dividend declared for the current financial period report 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 this period.

**BY ORDER OF THE BOARD**

Ms Jeannie Tng  
Company Secretary  
Dated this 25<sup>th</sup> day of April 2003