

OVERSEAS UNION 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 2002

	Group			Company		
	<u>2002</u>	<u>2001</u>	<u>+/(-)</u>	<u>2002</u>	<u>2001</u>	<u>+/(-)</u>
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit on sale of investments	6,129	665	821.7	6,075	1,376	341.5
Dividend income	1,262	1,903	(33.7)	1,224	1,803	(32.1)
Interest and other income	274	389	(29.6)	287	331	(13.3)
Operating income	7,665	2,957	159.2	7,586	3,510	116.1
Operating expenses	(662)	(723)	(8.4)	(615)	(669)	(8.1)
Operating profit before tax and provision	7,003	2,234	213.5	6,971	2,841	145.4
(Provision for)/writeback of provision for diminution in value of investments	(221)	311	n.m.	-	-	-
Net profit before tax	6,782	2,545	166.5	6,971	2,841	145.4
Income tax	(1,507)	(520)	189.8	(1,507)	(508)	196.7
Net profit after tax and available for appropriation	<u>5,275</u>	<u>2,025</u>	160.5	<u>5,464</u>	<u>2,333</u>	134.2
Net profit after tax as a percentage of total operating income	<u>68.8%</u>	<u>68.5%</u>	0.4			
Annualised net profit after tax as a percentage of issued capital and reserves at end of period	<u>10.7%</u>	<u>4.0%</u>	167.5			
Annualised earnings per share (cts) - basic and diluted	<u>27.01</u>	<u>10.37</u>	160.5			
Net tangible asset backing per share	<u>\$2.52</u>	<u>\$2.56</u>	(1.6)			

n.m. : not meaningful

There were adjustments for overprovision of tax in respect of prior years by the Company which amounted to S\$43,789 (2001:Nil).

There were no pre-acquisition profits nor profit from sale of properties.

2. REVIEW OF PERFORMANCE

The Group reported a higher profit after tax of S\$5.3 million for this half year as compared to S\$2.0 million for last half year. The increase in profit of S\$3.3 million or 160.5% was mainly due to higher profit on sale of investments, mainly from UOB shares, partially offset by lower dividend and interest income and provision for diminution in value of investments.

The Group's net tangible asset backing per share declined 1.6% to S\$2.52 as at 30 June 2002 from a year ago.

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 2002 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. CURRENT YEAR'S PROSPECTS

The near term investment outlook is clouded by a wave of accounting and corporate governance irregularities in the US which have in turn weakened stock prices significantly in the first seven months in these markets. Nevertheless the major economic indicators still point to a reasonable growth scenario. Deflationary forces however remain and corporate earnings continue to be under pressure.

Asian markets have outperformed significantly in the first half of the year and appear to be decoupling from the US stock market. With stronger fundamentals and relatively attractive valuations, we expect the region to continue outperforming. Singapore stocks should also see support at current levels against a backdrop of record low interest rates and gradual economic recovery.

4. INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of 4% or 4 cents per share, less 22% Singapore income tax (2001 : 3% or 3 cents per share, tax-exempt) in respect of the financial year ending 31 December 2002 to be paid on 22 August 2002.

5. UNAUDITED BALANCE SHEET AS AT 30 JUNE 2002

	<u>The Group</u>		<u>The Company</u>	
	<u>30-06-2002</u>	<u>31-12-2001</u>	<u>30-06-2002</u>	<u>31-12-2001</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Investments	90,546	80,239	90,546	80,239
Unquoted share in subsidiary at cost	-	-	5,000	5,000
Current assets	20,780	24,253	14,969	18,245
Current liabilities	(9,840)	(584)	(9,831)	(567)
Net current assets	10,940	23,669	5,138	17,678
Deferred tax liability	(3,206)	(3,457)	(2,780)	(3,031)
	<u>98,280</u>	<u>100,451</u>	<u>97,904</u>	<u>99,886</u>

Represented by:

Share capital	39,063	39,063	39,063	39,063
Investment fluctuation reserve	24,391	24,391	24,391	24,391
Unrealised surplus on revaluation				
of investments	8,137	14,293	8,137	14,293
Exchange fluctuation reserve	1,180	1,298	1,180	1,298
Retained profits	25,509	21,406	25,133	20,841
	<u>98,280</u>	<u>100,451</u>	<u>97,904</u>	<u>99,886</u>

6. COMPOSITION OF ASSETS OF OUS GROUP

	<u>S\$'000</u>	<u>%</u>
Equities	78,567	79.9
Fixed income and other securities	14,724	15.0
Cash & net receivables	4,989	5.1
Total	<u>98,280</u>	<u>100.0</u>

7. TOP TEN INVESTMENT HOLDINGS

<u>Counter</u>	<u>% of NTA</u>
Oversea-Chinese Banking Corporation Ltd	7.4
Singapore Press Holdings Ltd	6.7
6% DBS Bank Non-Cumulative Preference Shares	5.2
Overseas Union Enterprise Limited	4.9
DBS Group Holdings Ltd	4.5
City Developments Ltd	4.3
Singapore Technologies Engineering Ltd	3.2
Venture Corporation Ltd	2.2
Keppel Corporation Ltd	2.2
4.815% CDL Prop Bonds due 31-01-2006	2.1

8. CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 8 August 2002 for the payment of dividend. Duly completed transfers received by the Company's Share Registrars, KPMG of 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 up to the close of business at 5.00 p.m. on 7 August 2002 will be registered to determine shareholders' entitlements to the above dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said interim dividend will be paid by the Company to CDP who will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

9. ACCOUNTING POLICIES

With effect from 1 January 2002, the Group has adopted the revised Statement of Accounting Standard (SAS) 12 on Income Taxes, which is effective for financial periods beginning on or after 1 April 2001. The change in accounting policy did not have a material impact on prior year's financial statements.

Except for the above, there were no other changes or departure from the accounting policies and methods of computation adopted by the Company and the Group for the financial statements for the six months ended 30 June 2002 as compared to the audited annual financial statements for the year ended 31 December 2001.

BY ORDER OF THE BOARD

JEANNIE TNG
SECRETARY

SINGAPORE, 22 JULY 2002