



**UNITED INTERNATIONAL 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 2001

	Group			Company		
	2001	2000	+/-	2001	2000	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating income	<u>5,792</u>	<u>17,006</u>	<b>-65.9</b>	<u>7,133</u>	<u>15,362</u>	<b>-53.6</b>
Dividend income	<u>2,140</u>	3,089	<b>-30.7</b>	<u>3,052</u>	3,819	<b>-20.1</b>
Profit on sale of investments	<u>2,266</u>	12,580	<b>-82.0</b>	<u>2,739</u>	10,251	<b>-73.3</b>
Interest and other income	<u>1,386</u>	1,337	<b>+3.7</b>	<u>1,342</u>	1,292	<b>+3.9</b>
Operating profit before tax and provisions	<u>4,251</u>	15,294	<b>-72.2</b>	<u>5,658</u>	13,755	<b>-58.9</b>
Writeback/(Provision) for diminution in value of investments	<u>419</u>	<u>(2,043)</u>	<b>+120.5</b>	<u>-</u>	<u>-</u>	<b>-</b>
Operating profit before tax	<u>4,670</u>	13,251	<b>-64.8</b>	<u>5,658</u>	13,755	<b>-58.9</b>
Income tax	<u>(677)</u>	<u>(1,565)</u>	<b>-56.7</b>	<u>(912)</u>	<u>(1,694)</u>	<b>-46.2</b>
Operating profit after tax and available for appropriation	<u>3,993</u>	<u>11,686</u>	<b>-65.8</b>	<u>4,746</u>	<u>12,061</u>	<b>-60.7</b>
Net earnings per share in cents based on existing issued share capital	<u>2.9</u>	<u>8.4</u>				
Net tangible assets backing per share	<u>S\$1.49</u>	<u>S\$1.73</u>				

In 2001, the Group has adopted the revised Statement of Accounting Standards (SAS) where applicable and certain comparatives have been restated accordingly.

### 2. Directors' Comments

Group profit after tax was 65.8% lower than that of the preceding year. This was due mainly to lower profits from sale of investments and dividend income. Net tangible assets backing per share decreased by 13.9% to S\$1.49 as at 30 June 2001.

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 2001 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. Prospects For The Rest Of 2001

The downturn in the US economy is more severe than expected and has led to a slowdown in global economic growth. The global slowdown has taken a heavy toll on corporate earnings. Analysts' forecasts have also been revised down sharply, particularly in Europe and the US. The pace of these downgrades has yet to slow.

Amidst the gloom, China has been the only growth story. The Chinese economy has been relatively unaffected by the slowdown in global growth. Its strength has been driven by domestic factors and strong foreign direct investments that continue to increase with China's impending entry into the WTO.

Our base case scenario is for a recovery in the latter part of the year, albeit a weak one. The risk that the current weakness will prolong into 2002 has risen. However, we think that global equities have adequately discounted the risks. Although the inflation outlook remains benign, the upside for bonds from current levels appear limited. We expect equities to do relatively better than bonds, and will continue to emphasise Asia, particularly China, in the equity portfolio.

### 4. Dividend

No interim dividend has been recommended by the directors.

### 5. Unaudited Balance Sheet As At 30 June 2001

	Group		Company	
	2001	2000	2001	2000
	S\$'000	S\$'000	S\$'000	S\$'000
Quoted investments	180,112	207,100	180,112	207,100
Unquoted share in subsidiary at cost	-	-	8,000	8,000
Current assets	33,213	41,571	23,746	25,836
Current liabilities	(6,726)	(7,973)	(6,555)	(6,796)
Net current assets	26,487	33,598	17,191	19,040
Deferred taxation	(3)	(1)	(3)	(1)
	206,596	240,697	205,300	234,139
Represented by:				
Share capital	139,042	139,042	139,042	139,042
Investment fluctuation reserve	21,436	21,436	21,436	21,436
Unrealised gain on investments	14,343	44,992	14,343	44,992
Exchange fluctuation reserve	(4,519)	(5,799)	(4,519)	(5,799)
Revenue reserve	36,294	41,026	34,998	34,468
	206,596	240,697	205,300	234,139

### 6. Composition Of Assets Of UIS Group

	(S\$'000)	%
Equities	135,126	65.4
Fixed income securities	53,258	25.8
Cash and other liquid assets	18,212	8.8
Total	206,596	100.0

**7. Top Ten Holdings**

<b><u>Counter</u></b>	<b><u>% Of NTA</u></b>
United Overseas Bank Limited	17.5
United Overseas Land Limited	4.7
United Overseas Land Limited 1.5% Due July 2004	1.8
DBS Group Holdings Limited	1.7
Tingyi Holding Corporation Limited 1.625% Due July 2002	1.7
Singapore Press Holdings Limited	1.6
Total Access Communication 8.375% Due November 2006	1.6
Republic of Korea 8.875% Due April 2008	1.5
Korea Exchange Bank 13.75% Due June 2010	1.4
United Kingdom Treasury Strip 0% Due December 2005	1.4

**8. Changes In Share Capital**

There was no change in the issued share capital of the Company and its subsidiary during the period from 1 January 2001 to 30 June 2001.

By Order Of The Board

Mrs Vivien Chan  
Company Secretary  
Dated this 26th day of July 2001