

First 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 first quarter ended 31 March 2006

	Group		
	1st Quarter	1st Quarter	
	<u>2006</u>	<u>2005</u>	<u>Incr/(Decr)</u>
	\$'000	\$'000	%
Profit on sale of non-current investments	9,846	1,472	568.9
Profit on trading securities	719	162	343.8
	10,565	1,634	546.6
Dividends	2,600	1,466	77.4
Other operating income			
Interest income	1,151	1,391	(17.3)
Foreign exchange gain/(loss)	173	(194)	nm
Operating revenue	14,489	4,297	237.2
Less: Operating expenses	1,036	948	9.3
Profit before tax	13,453	3,349	301.7
Less: Tax	941	534	76.2
Net profit	12,512	2,815	344.5

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.

Unaudited Balance Sheets as at 31 March 2006

	Group		Company	
	As at	As at	As at	As at
	31/03/2006	31/12/2005	31/03/2006	31/12/2005
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	8,000	8,000
Investments	348,390	342,331	348,390	342,331
	348,390	342,331	356,390	350,331
Current assets				
Trading securities	11,308	5,559	-	-
Trade debtors	805	825	503	517
Balances with UOB Group	18,065	15,264	18,046	10,231
Balances with other banks	8,874	914	8,469	619
Other assets	2,371	5,218	1,547	4,455
	41,423	27,780	28,565	15,822
Total assets	389,813	370,111	384,955	366,153
Current liabilities				
Other liabilities	1,357	1,000	1,309	967
Tax payables	2,402	1,814	2,402	1,814
	3,759	2,814	3,711	2,781
Net current assets	37,664	24,966	24,854	13,041
Non-current liability				
Deferred tax liabilities	2,487	2,127	2,487	2,127
Total liabilities	6,246	4,941	6,198	4,908
	383,567	365,170	378,757	361,245
Equity				
Share capital	206,682	206,682	206,682	206,682
Merger reserve	15,189	15,189	15,189	15,189
Fair value reserve	59,573	53,688	59,573	53,688
Retained profits	102,123	89,611	97,313	85,686
	383,567	365,170	378,757	361,245

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			
	31/03/2006		31/12/2005	
	\$'000	%	\$'000	%
Quoted Equity Investments	253,274	66.0	232,655	63.7
Other Quoted Investments	2,716	0.8	2,679	0.8
Unquoted Equity Shares	150	-	150	-
Quoted Bonds, Notes and Loan Stocks	53,388	13.9	62,436	17.1
Unquoted Bonds, Notes, Loan Stocks and Unit Trusts	38,862	10.1	44,411	12.2
Trading Securities	11,308	3.0	5,559	1.5
Cash and Net Receivables	23,869	6.2	17,280	4.7
Total	383,567	100.0	365,170	100.0

Group Total Assets by Currency Mix

	<u>31/03/2006</u>	<u>31/12/2005</u>
	%	%
Singapore Dollar	40.4	42.5
United States Dollar *	16.8	18.5
Japanese Yen	10.8	9.9
Korean Won	5.4	3.1
Swiss Franc	4.9	4.5
Australian Dollar	4.9	4.4
Euro	3.9	3.3
Hong Kong Dollar	2.8	2.9
Malaysian Ringgit	2.8	3.3
Sterling Pound	2.6	2.8
Indonesian Rupiah	1.9	-
Taiwan Dollar	1.2	1.3
Indian Rupee	0.9	0.8
Thai Baht	0.6	0.6
Philippines Pesos	0.1	-
New Zealand Dollar	-	2.1
	<u>100.0</u>	<u>100.0</u>

* As at 31 March 2006, the USD currency holdings have been covered against SGD, reducing the exposure from 16.8% to 16.6% (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>31/03/2006</u>	<u>31/12/2005</u>
	%	%
Singapore	38.4	41.7
Japan	15.6	14.9
Switzerland	7.6	7.0
South Korea	7.5	4.9
Australia	7.0	6.0
United States	6.0	7.2
Malaysia	3.5	5.1
France	2.8	3.0
Indonesia	2.4	-
Germany	2.0	1.0
Hong Kong	1.9	0.8
China	1.8	3.5
India	1.4	1.3
Thailand	0.9	1.0
United Kingdom	0.5	0.5
Taiwan	0.3	1.7
Ireland	0.3	0.3
Finland	0.1	0.1
	<u>100.0</u>	<u>100.0</u>

Industry Mix of Quoted Equity Investments

	<u>31/03/2006</u>	<u>31/12/2005</u>
	%	%
Financials	33.5	34.4
Industrials	23.1	21.1
Consumer Goods	15.3	12.3
Healthcare	7.0	5.3
Information Technology	5.2	6.4
Real Estate Investment Trusts	4.0	4.1
Materials	4.0	5.0
Energy	2.9	9.3
Utilities	2.9	0.6
Telecom Services	2.1	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 31/03/2006

	As % of Group Net Assets
<u>Top Ten Equity Holdings</u>	
United Overseas Bank Limited	8.4
United Overseas Land Limited	3.8
Keppel Corporation Limited	2.1
Macquarie International Infrastructure Fund Limited	1.8
Overseas Union Enterprise Limited	1.7
Shinsegae Company Limited	1.7
CSL Limited	1.5
Toray Industries Incorporated	1.4
DBS Group Holdings Limited	1.4
Credit Suisse Group	1.2
<u>Top Five Fixed Income/Unit Trusts Holdings</u>	
United Kingdom Government Bond 7.25% Due 07/12/2007	2.3
United Global Emerging Market Portfolio – SGD	2.0
United Convertible Bond Fund – USD	1.6
Singapore Government Bond 1.75% Due 01/02/2007	1.3
Singapore Government Bond 1.5% Due 01/04/2008	1.3

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

Amount repayable in one year or less, or on demand

As at 31/03/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

As at 31/03/2006		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 first quarter ended 31 March 2006

	Group	
	1st Quarter 2006 \$'000	1st Quarter 2005 \$'000
Cash flows from operating activities		
Profit before tax	13,453	3,349
Adjustment for:		
Profit on sale of non-current investments	(9,846)	(1,472)
Dividend income	(2,600)	(1,466)
Interest income	(1,151)	(1,391)
Unrealised loss/(profit) on trading securities	225	(63)
Dividend received	2,711	1,175
Interest received	1,357	1,609
Operating profit before working capital changes	4,149	1,741
Changes in working capital:		
Trading securities	(5,974)	(1,195)
Trade debtors and other assets	2,578	310
Trade creditors and other liabilities	357	102
Cash flows generated from operations	1,110	958
Income tax paid	(428)	(77)
Net cash flows from operating activities	682	881
Cash flows from investing activities		
Purchase of non-current investments	(55,971)	(38,795)
Proceeds from sale of non-current investments	66,050	36,375
Net cash flows from/(used in) investing activities	10,079	(2,420)
Net increase/(decrease) in cash and cash equivalents	10,761	(1,539)
Cash and cash equivalents at the beginning of the financial period	16,178	18,686
Cash and cash equivalents at the end of the financial period	26,939	17,147

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.

	Share capital \$'000	Merger reserve \$'000	Fair value reserve \$'000	Retained profits \$'000	Total \$'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	<u>206,682</u>	<u>15,189</u>	<u>59,573</u>	<u>102,123</u>	<u>383,567</u>
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	<u>206,682</u>	<u>15,189</u>	<u>35,658</u>	<u>85,973</u>	<u>343,502</u>
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	<u>206,682</u>	<u>15,189</u>	<u>40,638</u>	<u>88,788</u>	<u>351,297</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. (continued)**

<u>Company</u>	<u>Share capital</u> <u>\$'000</u>	<u>Merger reserve</u> <u>\$'000</u>	<u>Fair value reserve</u> <u>\$'000</u>	<u>Retained profits</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
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 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

- 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 Quarter</u>	<u>1st Quarter</u>
	<u>2006</u>	<u>2005</u>
	Cents	Cents
Earnings per share *		
(a) Based on the weighted average number of ordinary shares in issue	24.21	5.45
(b) On a fully diluted basis	24.21	5.45

* 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>31/03/2006</u>	<u>31/12/2005</u>	<u>31/03/2006</u>	<u>31/12/2005</u>
	\$	\$	\$	\$
Net asset value per share	1.86	1.77	1.83	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.**

The Group recorded a higher profit after tax of \$12.5 million in the first quarter of 2006 as compared to \$2.8 million recorded in the first quarter of 2005. The increase in net profit of \$9.7 million or 344.5% was due largely to higher profit on sale of investments and dividend income.

Group shareholders' funds increased by 5.0% from \$365.2 million as at last year-end to \$383.6 million as at 31 March 2006 due to higher revaluation gain on non-current investments and net profits achieved in the first quarter of 2006. Consequently, NTA per share increased from \$1.77 as at last year-end to \$1.86 as at 31 March 2006.

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 has been stronger than expected, with leading indicators suggesting further strength in the coming months. Asset markets have revised their interest rate expectations and the Fed may tighten further in the coming quarter. Core inflation however remains contained and the US housing market has shown signs of cooling. Profits meanwhile continue to show healthy momentum and corporate fundamentals generally remain robust.

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 first quarter ended 31 March 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 20th day of April 2006