

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		
	1Q <u>2003</u> \$'000	1Q <u>2002</u> \$'000	Increase/ <u>(Decrease)</u> %
Loss on sale of non-current investments	(2,742)	(3,344)	(18.0)
Profit/(loss) on sale of trading securities	<u>109</u>	<u>(1,721)</u>	<u>nm</u>
Loss on sale of investments	(2,633)	(5,065)	(48.0)
Dividends	354	158	124.1
Other operating income			
Interest income	826	702	17.7
Foreign exchange (loss)/gain	(483)	204	nm
Operating revenue	<u>(1,936)</u>	<u>(4,001)</u>	<u>(51.6)</u>
Operating expenses	<u>(677)</u>	<u>(776)</u>	<u>(12.8)</u>
Operating loss	<u>(2,613)</u>	<u>(4,777)</u>	<u>(45.3)</u>
(Provision)/writeback of provision for diminution in value of trading securities	<u>(155)</u>	<u>2,352</u>	<u>nm</u>
Loss before tax	<u>(2,768)</u>	<u>(2,425)</u>	<u>14.1</u>
Tax	6	(662)	nm
Net loss	<u><u>(2,762)</u></u>	<u><u>(3,087)</u></u>	<u><u>(10.5)</u></u>

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	
	As at	As at	As at	As at
	<u>31-03-2003</u>	<u>31-12-2002</u>	<u>31-03-2003</u>	<u>31-12-2002</u>
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Investment in subsidiary	-	-	8,000	8,000
Investments	<u>169,153</u>	<u>172,849</u>	<u>169,153</u>	<u>172,849</u>
	<u>169,153</u>	<u>172,849</u>	<u>177,153</u>	<u>180,849</u>
Current assets				
Trading securities	4,777	4,548	-	-
Trade debtors	1,122	3,125	663	2,879
Deposits/balances with UOB Group	1,036	4,265	538	2,763
Balances with other banks	5,840	1,278	4,922	872
Other assets	<u>987</u>	<u>1,482</u>	<u>961</u>	<u>1,457</u>
	<u>13,762</u>	<u>14,698</u>	<u>7,084</u>	<u>7,971</u>
Total assets	<u>182,915</u>	<u>187,547</u>	<u>184,237</u>	<u>188,820</u>
Current liabilities				
Other liabilities	1,081	942	1,043	906
Provision for tax	<u>815</u>	<u>858</u>	<u>815</u>	<u>858</u>
Total liabilities	<u>1,896</u>	<u>1,800</u>	<u>1,858</u>	<u>1,764</u>
Net current assets	<u>11,866</u>	<u>12,898</u>	<u>5,226</u>	<u>6,207</u>
	<u>181,019</u>	<u>185,747</u>	<u>182,379</u>	<u>187,056</u>
Shareholders' equity				
Share capital	139,042	139,042	139,042	139,042
Investment fluctuation reserve	21,436	21,436	21,436	21,436
Unrealised deficit on revaluation of investments	(5,601)	(3,608)	(5,601)	(3,608)
Exchange fluctuation reserve	(4,661)	(4,688)	(4,661)	(4,688)
Retained profits	<u>30,803</u>	<u>33,565</u>	<u>32,163</u>	<u>34,874</u>
	<u>181,019</u>	<u>185,747</u>	<u>182,379</u>	<u>187,056</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			
	31-03-2003		31-12-2002	
	\$'000	%	\$'000	%
Quoted Equity Investments	99,926	55.2	90,570	48.8
Quoted Bonds, Notes and Loan Stocks	51,747	28.6	65,669	35.4
Unquoted Bonds, Notes, Loan Stocks and Unit Trusts	15,590	8.6	14,738	7.9
Cash and Net Receivables	7,089	3.9	8,350	4.5
Trading Securities	4,777	2.6	4,548	2.4
Other Quoted Investments	1,890	1.1	1,872	1.0
Total	181,019	100.0	185,747	100.0

Group Total Assets by Currency Mix

	31-03-2003	31-12-2002
	%	%
Singapore Dollar	46.0	48.3
United States Dollar *	27.1	23.7
Sterling Pound	6.7	7.1
New Zealand Dollar	4.4	4.0
Malaysian Ringgit	3.5	2.3
Hong Kong Dollar	3.2	4.6
Euro	2.4	2.4
Swiss Franc	2.1	2.4
Korean Won	1.8	2.1
New Taiwan Dollar	1.6	1.8
Japanese Yen	0.7	0.8
Indonesian Rupiah	0.2	0.2
Thai Baht	0.2	0.2
Philippines Peso	0.1	0.1
	100.0	100.0

* the USD currency holdings have been hedged against SGD, reducing the exposure from 27.1% to 12.7% (31.12.2002: 23.7% to 9.9%).

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>31-03-2003</u>	<u>31-12-2002</u>
	%	%
Singapore	55.4	51.3
United States	16.0	14.8
Malaysia	6.2	4.3
Switzerland	3.9	4.9
Hong Kong	3.9	4.6
United Kingdom	3.8	5.5
South Korea	3.6	4.4
Taiwan	2.3	2.5
Japan	1.2	1.5
Netherlands	1.1	0.7
China	1.0	3.1
France	0.5	1.2
Indonesia	0.4	0.4
Thailand	0.3	0.4
Finland	0.2	0.2
Philippines	0.2	0.2
	<u>100.0</u>	<u>100.0</u>

Industry Mix of Quoted Equity Investments

	<u>31-03-2003</u>	<u>31-12-2002</u>
	%	%
Financials	35.5	40.4
Consumer Discretionary	19.1	21.8
Industrials	16.5	9.8
Information Technology	8.4	12.0
Consumer Staples	6.9	3.6
Healthcare	6.9	3.5
Energy	2.2	3.6
Utilities	2.0	2.1
Telecom Services	1.3	1.7
Materials	1.2	1.4
Others	-	0.1
	<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 31-03-2003

	<u>As % of Group Net Assets</u>
<u>Top Ten Equity Holdings</u>	
United Overseas Bank Limited	11.8
United Overseas Land Limited	4.8
ComfortDelgro Corporation Limited	3.2
United Technologies Corporation	3.1
Fraser & Neave Limited	2.4
Baxter International Inc.	2.0
Singapore Press Holdings Limited	1.7
Keppel Corporation	1.6
Singapore Airlines Limited	1.3
Nestle S A	1.2
<u>Top Five Fixed Income Holdings</u>	
United Kingdom Treasury Coupon Strip 0% Due 07/12/2007	4.5
New Zealand Government Bond 6.5% Due 15/02/2005	4.4
United Global Emerging Market Portfolio - SGD	3.6
United Overseas Land Limited Bond 1.5% Due 15/07/2004	2.2
Singapore Government Bond 4% Due 01/02/2005	1.8

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

Amount repayable in one year or less, or on demand

As at 31/03/2003		As at 31/12/2002	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

Amount repayable after one year

As at 31/03/2003		As at 31/12/2002	
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	
	1Q	1Q
	<u>2003</u>	<u>2002</u>
	\$'000	\$'000
Cash flows from operating activities		
Net loss before tax	(2,768)	(2,425)
Adjustment for:		
Loss on sale of non-current investments	2,742	3,344
Dividend income	(354)	(158)
Interest income	(826)	(702)
Interest expense	3	-
Provision/(writeback of provision) for diminution in value of trading securities	155	(2,352)
Dividend received	330	206
Interest received	982	585
Operating cash flow before working capital changes	264	(1,502)
Changes in working capital:		
Trading securities	(384)	2,571
Trade debtors and other assets	2,368	1,118
Other liabilities	139	1,056
Cash generated from operations	2,387	3,243
Income tax (paid)/refund	(38)	770
Net cash inflow from operating activities	2,349	4,013
Cash flows from investing activities		
Purchase of non-current investments	(31,631)	(27,580)
Proceeds from sale of non-current investments	30,580	23,993
Net cash outflow from investing activities	(1,051)	(3,587)
Cash flows from financing activities		
Interest paid	(3)	-
Net cash outflow from financing activities	(3)	-
Exchange translation adjustment	38	(31)
Net increase in cash and cash equivalents	1,333	395
Cash and cash equivalents at the beginning of the financial period	5,543	23,454
Cash and cash equivalents at the end of the financial period	6,876	23,849

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	Investment fluctuation reserve \$'000	Unrealised (deficit) / surplus on revaluation of investments \$'000	Exchange fluctuation reserve \$'000	Retained profits \$'000	Total \$'000
Group						
Balance at 1 January 2003	139,042	21,436	(3,608)	(4,688)	33,565	185,747
Revaluation deficit	-	-	(1,988)	-	-	(1,988)
Deferred tax on revaluation	-	-	(5)	-	-	(5)
Net exchange gain	-	-	-	38	-	38
Net gains and losses not recognised in income statement	-	-	(1,993)	38	-	(1,955)
Net loss	-	-	-	-	(2,762)	(2,762)
Total recognised gains and losses for the financial period	-	-	(1,993)	38	(2,762)	(4,717)
Net exchange gain transferred to income statement	-	-	-	(11)	-	(11)
Balance at 31 March 2003	139,042	21,436	(5,601)	(4,661)	30,803	181,019
Balance at 1 January 2002	139,042	21,436	15,703	(4,518)	39,044	210,707
Revaluation surplus	-	-	17,077	-	-	17,077
Deferred tax on revaluation	-	-	(463)	-	-	(463)
Net exchange loss	-	-	-	(31)	-	(31)
Net gains and losses not recognised in income statement	-	-	16,614	(31)	-	16,583
Net loss	-	-	-	-	(3,087)	(3,087)
Total recognised gains and losses for the financial period	-	-	16,614	(31)	(3,087)	13,496
Balance at 31 March 2002	139,042	21,436	32,317	(4,549)	35,957	224,203

- 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
Company						
Balance at 1 January 2003	139,042	21,436	(3,608)	(4,688)	34,874	187,056
Revaluation deficit	-	-	(1,988)	-	-	(1,988)
Deferred tax on revaluation	-	-	(5)	-	-	(5)
Net exchange gain	-	-	-	38	-	38
Net gains and losses not recognised in income statement	-	-	(1,993)	38	-	(1,955)
Net loss	-	-	-	-	(2,711)	(2,711)
Total recognised gains and losses for the financial period	-	-	(1,993)	38	(2,711)	(4,666)
Net exchange gain transferred to income statement	-	-	-	(11)	-	(11)
Balance at 31 March 2003	139,042	21,436	(5,601)	(4,661)	32,163	182,379
Balance at 1 January 2002	139,042	21,436	15,703	(4,518)	39,346	211,009
Revaluation surplus	-	-	17,077	-	-	17,077
Deferred tax on revaluation	-	-	(463)	-	-	(463)
Net exchange loss	-	-	-	(31)	-	(31)
Net gains and losses not recognised in income statement	-	-	16,614	(31)	-	16,583
Net loss	-	-	-	-	(3,567)	(3,567)
Total recognised gains and losses for the financial period	-	-	16,614	(31)	(3,567)	13,016
Balance at 31 March 2002	139,042	21,436	32,317	(4,549)	35,779	224,025

- 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)**

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 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	
	1Q 2003 Cents	1Q 2002 Cents
Earnings per share *		
(a) Based on the weighted average number of ordinary shares on issue	(7.95)	(8.88)
(b) On a fully diluted basis	(7.95)	(8.88)
* 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 year**

	Group		Company	
	31-03-2003 S\$	31-12-2002 S\$	31-03-2003 S\$	31-12-2002 S\$
Net asset value per share	1.30	1.34	1.31	1.35

- 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 suffered an after-tax loss of \$2.8 million due mainly to loss on sale of investments and foreign exchange loss recorded in this quarter.

However, the loss for this quarter was lower than the loss of \$3.1 million for the same period last year. The improved performance of \$0.3 million or 10.5% was attributed mainly to lower loss on sale of investments, higher dividend and interest income as well as writeback of income tax provision versus a provision for the same period last year. However, these were partially offset by provision for diminution in value of trading securities by the subsidiary company and exchange loss on forward contracts.

Shareholders' funds of the Group reduced by \$4.7 million from \$185.7 million last year-end to \$181.0 million, which was attributed mainly to higher unrealised revaluation loss on non-current investments and net loss suffered in this quarter. Consequently, net asset value per share fell to \$1.30 from \$1.34 as at last year-end.

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**

Equities markets were weak during the quarter as the Iraq war, high energy prices, and weak global economy affected consumer and business confidence. These led the markets to drift lower in the initial months of the quarter before rebounding on signs of a swift end to the war. By the end of the quarter, the STI Index has fallen by 5.5%. 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. Going forward, the Severe Acute Respiratory Syndrome (SARS) problem is expected to have an adverse impact on the economies and stock markets in the region.

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

Mrs Vivien Chan
Company Secretary
Dated this 25th day of April 2003