

Announcement

The Board of Directors wishes to make the following announcement:-

Unaudited Results For The Six Months Ended 30 June 2002

	Group			Company		
	S\$'000		%	S\$'000		%
	Latest half year 2002	Previous half year 2001	Increase / (Decrease)	Latest half year 2002	Previous half year 2001	Increase / (Decrease)
1. Investment income						
Dividend income	1,884	2,140	(12.0)	1,829	3,052	(40.1)
Profit on sale of investments	1,725	2,266	(23.9)	4,060	2,739	48.2
Other income including interest income						
Interest and other income	1,422	1,808	(21.3)	1,417	1,775	(20.2)
Foreign exchange gain/(loss)	1,100	(422)	n.m.	1,036	(433)	n.m.
Total operating income	6,131	5,792	5.9	8,342	7,133	16.9
Operating expenses	(1,589)	(1,541)	3.1	(1,527)	(1,475)	3.5
2. Operating profit before income tax and provisions	4,542	4,251	6.8	6,815	5,658	20.4
Writeback for diminution in value of investments	2,007	419	379.0	-	-	-
Operating profit before income tax	6,549	4,670	40.2	6,815	5,658	20.4
Less income tax	(900)	(677)	32.9	(900)	(912)	(1.3)
Operating profit after tax attributable to members of the company	5,649	3,993	41.5	5,915	4,746	24.6

n.m. : not meaningful

Group Figures

	Latest half year 2002	Previous half year 2001
3(a). Operating profit after tax as a percentage of total operating income	92.1%	68.9%
3(b). Operating profit after tax as a percentage of issued capital and reserves at end of the period (%) *	5.6%	3.9%
3(c). Earnings per ordinary share for the period after deducting any provision for preference dividends :		
(i) Based on weighted average number of ordinary shares in issue (cents) *	8.13 cents	5.74 cents
(ii) On a fully diluted basis *	8.13 cents	5.74 cents
3(d). Net tangible asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	S\$1.44	S\$1.49

* *annualised*

3(e). To provide an analysis of expenses based on their function within the group for the current and previous corresponding period
Nil

4. <Item (4) is not applicable to interim results>

5(a). Amount of any adjustment for under or overprovision of tax in respect of prior years
Nil

5(b). Amount of any pre-acquisition profits
Nil

5(c). Amount of profits on any sale of investments and/or properties
Refer to item 1 above

6. Segmental results

The business of the Company and its subsidiary is in investment holding and investment trading respectively, and is carried out wholly in Singapore.

	Investment <u>Holding</u> S\$'000	Investment <u>Trading</u> S\$'000	<u>Group</u> S\$'000
<u>Half Year Ended 30 June 2002</u>			
Total operating income/(loss)	8,342	(2,211)	6,131
Operating profit/(loss) before income tax	6,815	(266)	6,549
Income tax	(900)	-	(900)
Operating profit/(loss) after tax	5,915	(266)	5,649

	Investment <u>Holding</u> S\$'000	Investment <u>Trading</u> S\$'000	<u>Group</u> S\$'000
<u>Half Year Ended 30 June 2001</u>			
Total operating income/(loss)	6,173	(381)	5,792
Operating profit/(loss) before income tax	4,698	(28)	4,670
Income tax	(677)	-	(677)
Operating profit/(loss) after tax	4,021	(28)	3,993

The segmental reporting figures are stated at net of intercompany eliminations.

7(a). Review of the performance of the company and its principal subsidiaries

For the first half of this year, Group profit after tax rose by S\$1.6 million or 41.5% to S\$5.6 million. The increase in profit was attributed mainly to the higher writeback of S\$1.6 million in provision for diminution in value of trading securities by the subsidiary company and foreign exchange gain of S\$1.1 million as compared to loss of S\$0.4 million for the same period last year. The profit on sale of investments was lower by S\$0.5 million or 23.9% and interest and other income declined by S\$0.4 million to S\$1.4 million.

The Group's net tangible asset backing per share decreased by 3.4% to S\$1.44 as at 30 June 2002 from a year ago.

7(b). Where a forecast, or a prospect statement, has been previously disclosed to shareholders, the issuer must explain any variance between the forecast or prospect statement and the actual results
Nil

7(c). A statement by the Directors of the Company whether any item or event of a material or unusual nature, which would have affected materially the results of operations of the Group and Company, has occurred between the date to which the report refers and the date on which the report is issued. If none, to give a negative statement.

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.

8. A commentary at the date of this 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

Investors' confidence has been shaken by a series of accounting irregularities in several high profile US companies. In the first half of 2002, stock markets in the US and Europe have fallen by some 20% and dampened prospects for a more robust recovery in these economies. Asia remains in recovery mode and is likely to outperform the other major markets, but could be dragged down should the global economic picture worsen. Singapore has likewise recovered and outperformed, but growth is unlikely to be strong given the uncertain external environment.

The Company will adopt a cautious stance and take advantage of market volatility to invest in fundamentally strong sectors and companies.

9. Dividend

(a) Any dividend declared for the present financial period? None

(b) Any dividend declared for the previous corresponding period? None

(c) Total Annual Dividend (if applicable)

	Latest Year (S\$'000)	Previous Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total:	0	0

(d) Date payable
Nil

(e) Books closure date
Nil

(f) Any other comments relating to paragraph 9
Nil

10(a). Balance sheet

	The Group		The Company	
	<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	185,225	178,981	185,225	178,981
Unquoted share in subsidiary at cost	-	-	8,000	8,000
Deferred tax asset	724	-	724	-
Current assets	19,861	34,069	12,394	26,336
Current liabilities	(5,056)	(2,038)	(5,021)	(2,003)
Net current assets	14,805	32,031	7,373	24,333
	<u>200,754</u>	<u>211,012</u>	<u>201,322</u>	<u>211,314</u>
Represented by:				
Share capital	139,042	139,042	139,042	139,042
Investment fluctuation reserve	21,436	21,436	21,436	21,436
Unrealised surplus on revaluation of investments	8,276	16,008	8,276	16,008
Exchange fluctuation reserve	(4,726)	(4,518)	(4,726)	(4,518)
Retained profits	36,726	39,044	37,294	39,346
	<u>200,754</u>	<u>211,012</u>	<u>201,322</u>	<u>211,314</u>

10(b). Cash flow statement

Consolidated cash flow statement for the six months ended 30 June

	<u>2002</u>	<u>2001</u>
	S\$'000	S\$'000
Cash flows from operating activities	5,943	1,234
Cash flows from investing activities		
Purchase of non-current investments	(89,053)	(30,174)
Proceeds from sale of non-current investments	78,234	31,848
Net cash (outflow)/inflow from investing activities	<u>(10,819)</u>	<u>1,674</u>
Cash flows from financing activities		
Dividends paid	(7,967)	(12,072)
Interest expense	(5)	(3)
Net cash outflow from financing activities	<u>(7,972)</u>	<u>(12,075)</u>
Exchange translation adjustment	<u>(166)</u>	<u>215</u>
Net change in cash and cash equivalents	<u>(13,014)</u>	<u>(8,952)</u>
Cash and cash equivalents at the beginning of the financial year	23,454	28,581
Cash and cash equivalents at the end of the financial period	<u>10,440</u>	<u>19,629</u>

10(c). Statement of changes in equity

Consolidated statement of changes in equity

	Share capital S\$'000	Investment fluctuation reserve S\$'000	Unrealised surplus/ (deficit) on revaluation reserve S\$'000	Exchange fluctuation reserve S\$'000	Retained profits S\$'000	Total S\$'000
Balance at 1 January 2002	139,042	21,436	16,008	(4,518)	39,044	211,012
Revaluation deficit	-	-	(7,732)	-	-	(7,732)
Net exchange loss	-	-	-	(166)	-	(166)
Net losses not recognised in income statement	-	-	(7,732)	(166)	-	(7,898)
Net profit	-	-	-	-	5,649	5,649
Total recognised gains / (losses) for the financial period	-	-	(7,732)	(166)	5,649	(2,249)
Net exchange gain transferred to income statement	-	-	-	(42)	-	(42)
Dividend for 2001	-	-	-	-	(7,967)	(7,967)
Balance at 30 June 2002	139,042	21,436	8,276	(4,726)	36,726	200,754
Balance at 1 January 2001						
- as previously stated	139,042	21,436	24,753	(4,760)	32,461	212,932
- effect of adopting SAS 10	-	-	-	-	11,913	11,913
- as restated	139,042	21,436	24,753	(4,760)	44,374	224,845
Revaluation deficit	-	-	(8,745)	-	-	(8,745)
Net exchange gain	-	-	-	270	-	270
Net gains / (losses) not recognised in income statement	-	-	(8,745)	270	-	(8,475)
Net profit	-	-	-	-	6,742	6,742
Total recognised gains / (losses) for the financial year	-	-	(8,745)	270	6,742	(1,733)
Net exchange gain transferred to income statement	-	-	-	(28)	-	(28)
Dividend for 2000	-	-	-	-	(12,072)	(12,072)
Balance at 31 December 2001	139,042	21,436	16,008	(4,518)	39,044	211,012

10(d). Explanatory notes that are material to an understanding of the information provided in 10.(a). (b) and (c) above

Composition Of Assets Of UIS Group

	<u>S\$'000</u>	<u>%</u>
Equities	126,402	63.0
Fixed income and other securities	64,867	32.3
Cash and net receivables	9,485	4.7
Total	<u>200,754</u>	<u>100.0</u>

Top Equities/Fixed Income Holdings

Top Ten Equity Holdings

<u>Counter</u>	<u>% of NTA</u>
United Overseas Bank Limited	13.1
United Overseas Land Limited	4.6
Singapore Press Holdings Limited	1.7
DBS Group Holdings Limited	1.5
Singapore Airlines Limited	1.3
Taiwan Semiconductors Company Limited	1.3
Nestle SA	1.2
BP PLC	1.2
Natsteel Broadway Limited	1.1
Adecco SA	1.0

Top Five Fixed Income Holdings

<u>Counter</u>	
Singapore Government Bonds 3.375% due 15/5/2004	6.7
United Kingdom Treasury Strip 0% Due 7/12/2005	3.2
United Global Emerging Market SGD	2.8
Singapore Government Bonds 4.0% due 1/2/2005	2.6
United Overseas Land Limited 1.5% due 15/7/2004	1.9

11. Details of any changes in the company's issued share capital

There was no change in the issued share capital of the Company and its subsidiary during the period from 1 January 2002 to 30 June 2002.

12. The group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the most recently announced financial statements

(a) Amount repayable in one year or less, or on demand

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

(b) Amount repayable after one year

As at 30/06/2002		As at 31/12/2001	
Secured	Unsecured	Secured	Unsecured
0	0	0	0

(c) Any other comments relating to Paragraph 12

Nil

13. A statement that the same accounting policies and methods of computation are followed in the financial statements as compared with the most recent audited annual financial statements. Where there have been any changes or departure from the accounting policies and methods of computation, including those required by an accounting standard, this should be disclosed together with the reasons for the change and the effect of the change.

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

Mrs Vivien Chan
Company Secretary
Dated this 26th day of July 2002