



OVERSEAS UNION TRUST LIMITED

ANNOUNCEMENT

The Board of Directors of Overseas Union Trust Limited wishes to announce:

1 AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2001

	The Group			The Company		
	31-12-01	31-12-00	+ / (-)	31-12-01	31-12-00	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	100,822	97,684	3.2	100,822	97,684	3.2
Less: interest expense	41,189	43,736	(5.8)	41,189	43,736	(5.8)
Net interest income	59,633	53,948	10.5	59,633	53,948	10.5
Fees & commission	432	501	(13.8)	432	501	(13.8)
Dividends	683	365	87.1	807	618	30.6
Rental	1,604	1,641	(2.3)	1,604	1,641	(2.3)
Other income	187	422	(55.7)	187	422	(55.7)
Income before operating expenses	62,539	56,877	10.0	62,663	57,130	9.7
Less: Staff cost	6,630	5,612	18.1	6,630	5,612	18.1
Other operating expenses	6,487	5,353	21.2	6,487	5,353	21.2
Total operating expenses	13,117	10,965	19.6	13,117	10,965	19.6
Operating profit	49,422	45,912	7.6	49,546	46,165	7.3
Less: Write off of long term investment	182	-	-	182	-	-
Provision for possible loan losses and diminution in value of other assets	29,204	2,078	1,305.4	28,888	2,078	1,290.2
Net profit before share of associated companies' profits	20,036	43,834	(54.3)	20,476	44,087	(53.6)
Share of associated companies' profits	882	1,482	(40.5)	-	-	-
Net profit before tax	20,918	45,316	(53.8)	20,476	44,087	(53.6)
Less: Tax	4,495	11,568	(61.1)	4,361	11,439	(61.9)
Net profit after tax attributable to members	16,423	33,748	(51.3)	16,115	32,648	(50.6)

2 SELECTED BALANCE SHEET DATA

	The Group			The Company		
	31-12-01	31-12-00	+ / (-)	31-12-01	31-12-00	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Assets						
Total assets	2,140,578	2,011,471	6.4	2,131,698	2,003,305	6.4
Loans to customers (net of provisions)	1,544,661	1,441,765	7.1	1,544,661	1,441,765	7.1
(b) Liabilities						
Deposits of non-bank customers	1,783,111	1,623,851	9.8	1,783,111	1,623,851	9.8
(c) Capital and Reserves						
Issued and paid-up capital	69,271	62,396	11.0	69,271	62,396	11.0
Total shareholders' funds	306,083	284,656	7.5	297,211	276,492	7.5

3 OTHER INFORMATION

	The Group			The Company		
	31-12-01	31-12-00	+ / (-)	31-12-01	31-12-00	+ / (-)
			%			%
(a) Depreciation (S\$'000)	864	1,023	(15.5)	864	1,023	(15.5)
(b) Net profit after tax as a percentage of average issued capital & reserves (%)	5.56	12.47	(55.4)	5.56	12.53	(55.6)
(c) Earnings per share (cts)						
- Basic	25.30	54.21	(53.3)	24.82	52.45	(52.7)
- Fully diluted	25.22	51.56	(51.1)	24.74	49.88	(50.4)
(d) Net tangible asset backing per share (S\$)	4.42	4.56	(3.1)	4.29	4.43	(3.2)

4 REVIEW OF RESULTS

- (a) The Group's after tax profit for the year ended 31 December 2001 decreased by 51.3% to S\$16.42 million. The decrease was due to higher provisioning as set out in (b) below and partly offset by higher net interest income.
- (b) Group's total provisions charged for the financial year increased to S\$29.20 million of which S\$26.31 million (2000: S\$2.05 million) was for specific provision and S\$2.89 million (2000: S\$Nil) was for general provision. Higher total provision was due to the general decline in property prices and a change in the basis of loan provisioning to be in line with the parent company's guideline. Had we continued with our usual basis of loan provisioning, total provision for the year would be S\$13.86 million.
- (c) Increase in the Group's operating expenses of 19.6% to S\$13.12 million this year was mainly due to increase in staff costs and commission paid to dealers and salesmen as a result of increase in car loan business.
- (d) The Group's ROE decreased to 5.56% from 12.47% and EPS to 25.22 cents from 51.56 cents. NTA per share decreased to S\$4.42 from S\$4.56 due to increase in the number of shares in the Company consequent to the conversion of the Company's warrants to new ordinary shares in the Company.
- (e) Group's non-performing loans (NPLs) decreased by 7.5% to S\$288.96 million (2000: S\$312.42 million).

NPLs are those classified as Substandard, Doubtful and Loss in accordance with MAS Notice 811. A loan is automatically classified as non-performing when the interest or principal payments are three months or more in arrears.

- (f) As at 31 December 2001, the Group's provision for possible loan losses stood at S\$102.58 million (2000: S\$75.07 million), covering 35.5% (2000: 24.0%) of the NPLs and 220.36% (2000: 344.3%) of the unsecured NPLs.
- (g) Shareholders' funds of the Group increased by 7.5% to S\$306.08 million. Loans and total assets grew by 7.1% to S\$1.54 billion and 6.4% to S\$2.14 billion respectively. Total deposits also increased by 9.8% to S\$1.78 billion. Group's capital adequacy ratio under MAS guidelines improved from 22.13% to 22.21%.

In the opinion of the Directors, the results of the Group and the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in this report.

The provision for taxation for the Group and the Company included a prior year tax adjustment of S\$0.39 million.

5 CURRENT YEAR'S PROSPECTS

Singapore expects to be in recession for possibly another two quarters before turning around in the second half of the year. GDP growth for 2002 has been forecast at between -2% to +2%. In the light of the uncertain economic outlook, the Company will remain cautious and selectively grow its loan assets through more intensive marketing efforts. Barring unforeseen circumstances and taking into account the one-off impact of the additional specific provision resulting from the change in the basis of loan provisioning having been made in 2001, the Company expects the current year's results to be better than those of the previous year.

6 SHARE CAPITAL

Between 1 July 2001 and 31 December 2001, the Company issued:

- (i) 6,043,924 ordinary shares of S\$1.00 each pursuant to the exercise of warrants. The number of new shares that would have been issued upon the exercise of all outstanding warrants as at 31 December 2001 was nil as the warrants had expired on 3 October 2001 (30 June 2001: 6,097,527).
- (ii) 28,000 ordinary shares of S\$1.00 each pursuant to the OUT Share Option Scheme. The number of new shares that would have been issued upon the exercise of all outstanding options as at 31 December 2001 was 667,041 (30 June 2001: 353,041).

7 DIVIDEND

a) Present Period

Name of dividend	Interim	Final
Dividend type	Cash	Cash
Dividend rate	4% or 4 cents per share gross less Singapore income tax	6% or 6 cents per share gross less Singapore income tax
Par value of shares	S\$1.00	S\$1.00
Tax rate	24.5%	24.5%
Date of payment	20.08.2001	10.05.2002

b) Previous corresponding Period

Name of dividend	Interim	Final
Dividend type	Cash	Cash
Dividend rate	4% or 4 cents per share gross less Singapore income tax	6% or 6 cents per share gross less Singapore income tax
Par value of shares	S\$1.00	S\$1.00
Tax rate	25.5%	24.5%
Date of payment	08.09.2000	22.05.2001

8 CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that, subject to shareholders' approval of the payment of the aforementioned dividend at the Annual General Meeting to be held on 19 April 2002, the Share Transfer Books and Register of Members of the Company will be closed on 30 April 2002. 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 29 April 2002 will be registered to determine shareholders' entitlements to the proposed dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

9 COMPARATIVE FIGURES

Comparative figures have been re-stated to reflect the effect of adopting certain new Statement of Accounting Standards (SAS) where applicable.

BY ORDER OF THE BOARD

JEANNIE TNG
SECRETARY

SINGAPORE, 31 January 2002

A copy of the Auditors' report on the Group and Company's Statutory Accounts is attached.

AUDITORS' REPORT TO THE MEMBERS OF OVERSEAS UNION TRUST LIMITED

We have audited the financial statements of Overseas Union Trust Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2001 set out on pages 13 to 37. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company and of the Group at 31 December 2001, the profit and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and
 - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements of the Company and the consolidated financial statements of the Group; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by its subsidiary company of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary company that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' report on the financial statements of the subsidiary company was not subject to any qualification and did not include any comment made under section 207(3) of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 31 January 2002