

# UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)

## Announcement

To: All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following announcement:

### 1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>GROUP</u>		<u>Incr/ (Decr)</u> %	<u>COMPANY</u>		<u>Incr/ (Decr)</u> %
	<u>1999</u> S\$'000	<u>1998</u> S\$'000		<u>1999</u> S\$'000	<u>1998</u> S\$'000	
(a) Gross premium income	<u>26,331</u>	<u>27,733</u>	(5.1)	<u>25,833</u>	<u>27,206</u>	(5.0)
Gross investment income	<u>3,993</u>	<u>4,607</u>	(13.3)	<u>3,741</u>	<u>4,271</u>	(12.4)
Profit/(loss) on sale of investments	<u>3,061</u>	<u>(14,182)</u>	NM	<u>3,061</u>	<u>(14,182)</u>	NM
Profit on sale of fixed assets	<u>51</u>	<u>-</u>	-	<u>51</u>	<u>-</u>	-
Other income	<u>90</u>	<u>88</u>	2.3	<u>90</u>	<u>88</u>	2.3
Non-underwriting income/(loss)	<u>7,195</u>	<u>(9,487)</u>	NM	<u>6,943</u>	<u>(9,823)</u>	NM
(b) Underwriting profit	<u>4,364</u>	<u>5,053</u>	(13.6)	<u>4,331</u>	<u>5,010</u>	(13.6)
Net profit/(loss) before tax, depreciation and provision for Investments	<u>11,122</u>	<u>(4,851)</u>	NM	<u>10,820</u>	<u>(5,179)</u>	NM
Less:						
Depreciation	<u>70</u>	<u>81</u>	(13.6)	<u>70</u>	<u>81</u>	(13.6)
Provision/(writeback of provision) for diminution in value of Investments	<u>802</u>	<u>(8,310)</u>	NM	<u>802</u>	<u>(8,310)</u>	NM
Cumulative effect of change in accounting policy	<u>-</u>	<u>781</u>	NM	<u>-</u>	<u>781</u>	NM
Net profit before tax	<u>10,250</u>	<u>2,597</u>	294.7	<u>9,948</u>	<u>2,269</u>	338.4
Less:						
Taxation	<u>2,549</u>	<u>582</u>	338.0	<u>2,509</u>	<u>545</u>	360.4
Net profit after tax	<u>7,701</u>	<u>2,015</u>	282.2	<u>7,439</u>	<u>1,724</u>	331.5
(c) Net profit/(loss) after tax:						
6 months ended 30 June	<u>3,511</u>	<u>(6,436)</u>	NM	<u>3,404</u>	<u>(6,614)</u>	NM
6 months ended 31 December	<u>4,190</u>	<u>8,451</u>	(50.4)	<u>4,035</u>	<u>8,338</u>	(51.6)
Total for the year	<u>7,701</u>	<u>2,015</u>	282.2	<u>7,439</u>	<u>1,724</u>	331.5
(d) Gross premium income						
6 months ended 30 June	<u>15,329</u>	<u>17,346</u>	(11.6)	<u>14,995</u>	<u>16,991</u>	(11.7)
6 months ended 31 December	<u>11,002</u>	<u>10,387</u>	5.9	<u>10,838</u>	<u>10,215</u>	6.1
Total for the year	<u>26,331</u>	<u>27,733</u>	(5.1)	<u>25,833</u>	<u>27,206</u>	(5.0)

Note : NM = Not Meaningful

# UNITED OVERSEAS INSURANCE LIMITED

(Incorporated in the Republic of Singapore)

## 1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 1999 (CONT'D)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
(e) Net profit after tax as percentage of gross premium income (%)	<b>29.25</b>	7.27	<b>28.80</b>	6.34
(f) Net profit after tax as percentage of issued capital and reserves (%)	<b>9.5</b>	2.6	<b>9.3</b>	2.2
(g) Net earnings per share (cents)	<b>18.9</b>	4.9	<b>18.2</b>	4.2
(h) Net tangible asset backing per share (S\$)	<b>1.99</b>	1.91	<b>1.96</b>	1.89

The provision for taxation contain an adjustment of S\$32,000 for under provision of tax in respect of prior years on the Group level. There are no pre-acquisition profits nor any profits on sale of properties.

## 2. DIRECTORS' COMMENTS

The general insurance industry remained intensely competitive. Underwriting profit was lower due largely to higher claims incurred. On the investment front, recovery of the stock market in Singapore and profits from sale of investments contributed to an improvement in non-underwriting income.

On 26 January 2000, the High Court approved a Scheme of Transfer for the Company to assume the general insurance business undertaking of Industrial & Commercial Insurance Ltd, a related company.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between 31 December 1999 and the date of this announcement which is likely to affect substantially the results of the Company and the Group for the current financial year.

## 3. CURRENT YEAR PROSPECTS

The Company expects intense competition to continue and premium rate to erode particularly within the property insurance sector. Growth in gross premiums is likely to come from diversified sources of business and the assumption of Industrial & Commercial Insurance Ltd's business portfolio. Underwriting profit is expected to be maintained for the coming year. Non-underwriting income would depend on the performance of the equity market and is expected to be satisfactory.

## 4. DIVIDEND

The Directors recommend the payment of a first and final dividend of 15% or 15 cents per share (1998 : 12.5% or 12.5 cents per share) less 25.5% Singapore income tax for the financial year ended 31 December 1999. The total net dividend for the financial year would amount to S\$4.6 million (1998 : S\$3.8 million). If the proposed final dividend is approved at the Annual General Meeting, it will be paid on 16 June 2000.

## 5. SEGMENT INFORMATION

The Group is principally engaged in the business of underwriting general insurance business. No segment information by geographical location has been presented as the Group's overseas operations are relatively insignificant.

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## 6. BALANCE SHEET

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Fixed Assets	537	468	537	468
Long-Term Investments	12,648	11,821	17,588	16,761
Other Non-Current Debtors	36	59	36	59
Unsecured Term Loan	45	48	45	48
Current Assets (includes investments)	<b>92,407</b>	85,363	<b>85,993</b>	79,148
Less : Current Liabilities	<b>24,447</b>	19,681	<b>24,267</b>	19,436
Net Current Assets	<b>67,960</b>	65,682	<b>61,726</b>	59,712
Deferred Taxation	<b>(153)</b>	(152)	<b>(153)</b>	(152)
	<b>81,073</b>	77,926	<b>79,779</b>	76,896
Represented by :-				
Share Capital	<b>40,770</b>	40,770	<b>40,770</b>	40,770
Revenue Reserve	<b>40,303</b>	37,156	<b>39,009</b>	36,126
	<b>81,073</b>	77,926	<b>79,779</b>	76,896

## 7. CLOSURE OF BOOKS

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned dividend at the Annual General Meeting to be held on 24 May 2000, the Share Transfer Books and the Register of Members of the Company will be closed from 6 June 2000 to 7 June 2000, both dates inclusive for the preparation of dividend warrants. Registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 10 Collyer Quay, #19-08, Ocean Building, Singapore 049315, up to 5.00 pm on 5 June 2000 will be registered for the abovementioned dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the abovementioned dividend, if approved, will be paid by the Company to CDP who will distribute the dividend to the holders of the securities accounts.

## 8. YEAR 2000

We met the challenges of the Year 2000 crossover with no disruptions to either our customer service or to our own operations in Singapore and across the globe. The integrity and security of our systems and also our customer records and balances were preserved without any compromise whatsoever throughout the exercise.

## BY ORDER OF THE BOARD

MRS VIVIEN CHAN  
SECRETARY

Dated this 23rd day of March 2000