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## NEWS RELEASE

### **UOB Venture Management Steps Up Venture Capital Activities In China**

**Singapore, 19 April 2000** - United Overseas Bank Limited (UOB) has established a joint venture in Beijing to invest in emerging technology companies. The collaboration, led by UOB Venture Management Private Limited (UOBVM) - UOB's wholly-owned venture capital fund management subsidiary, marks the start of a series of venture capital activities that the Bank plans to initiate in China.

UOB's joint venture partner in Beijing is Beijing Centergate Technologies (Centek), a listed company that is actively involved in developing the Beijing Experimental Zone (Zhongguancun) - touted as the 'Silicon Valley Of The East'. Centek is headed by Mr Duan Yongji, Executive Director of Stone Electronic Technology, a red-chip company listed in Hong Kong S.A.R.

In addition, US-based Crystal Internet Venture Funds (CIVF), a family of US\$250 million funds managed by CIVF Management and specialising in early-stage Internet and Internet-related investments, has entered into a Memorandum Of Understanding with UOB and Centek to participate in the management of the joint venture. CIVF is managed by Managing Directors, Joseph Tzeng and Dan Kellogg, with partners Howard Lee and Brian Goncher.

UOB and its partners will seed-fund a direct investment vehicle to jointly invest in emerging technology companies in Beijing. However, the majority of the funds for investment is expected to come from privately owned enterprises and listed companies in China.

Mr Wee Ee Cheong, Deputy Chairman & President of the UOB Group, is confident about the venture capital business potential in China. "We anticipate that Chinese enterprises will increasingly be looking at more innovative ways of financing, as is the trend elsewhere, instead of relying solely on traditional loans," he explains. "Venture capital funding and direct investment complement lending instruments as an additional means for fast-growing technology companies to raise funds."

UOBVM will lend its fund management expertise to the above projects and will facilitate co-investment in emerging technology companies by arranging for foreign capital from various appropriate sources.

Said Mr Quek Cher Teck, Managing Director, UOBVM, "We are exploring similar arrangements in other major cities in China. Our aim is to help technology companies in the country's various growth industries move toward the higher end of the value-add spectrum - through the provision of capital and by facilitating a multilateral flow of management and technology know-how." He adds that UOBVM is pleased to contribute to China's efforts at promoting high technology product development, and research and development (R&D) activities within the country.