

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)

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 2000

	<u>GROUP</u>			<u>COMPANY</u>		
	<u>2000</u> S\$'000	1999 S\$'000	<u>Incr/ (Decr)</u> %	<u>2000</u> S\$'000	1999 S\$'000	<u>Incr/ (Decr)</u> %
(a) Gross premium income	<u>29,986</u>	<u>26,331</u>	13.9	<u>29,453</u>	<u>25,833</u>	14.0
Gross investment income	<u>7,362</u>	3,993	84.4	<u>7,010</u>	3,741	87.4
Profit on sale of investments	<u>2,623</u>	3,061	(14.3)	<u>2,623</u>	3,061	(14.3)
Profit on sale of fixed assets	-	51	NM	-	51	NM
Other income	<u>41</u>	90	(54.4)	<u>41</u>	90	(54.4)
Non-underwriting income	<u>10,026</u>	<u>7,195</u>	39.3	<u>9,674</u>	<u>6,943</u>	39.3
(b) Underwriting profit	<u>4,430</u>	<u>4,364</u>	1.5	<u>4,438</u>	<u>4,331</u>	2.5
Net profit before tax, depreciation and provision for Investments	<u>13,690</u>	11,122	23.1	<u>13,326</u>	10,820	23.2
Add/(less) :						
Depreciation	<u>(76)</u>	(70)	8.6	<u>(76)</u>	(70)	8.6
Provision/(writeback of provision) for diminution in value of investments	<u>564</u>	(802)	NM	<u>564</u>	(802)	NM
Net profit before tax	<u>14,178</u>	<u>10,250</u>	38.3	<u>13,814</u>	<u>9,948</u>	38.9
Taxation	<u>(3,510)</u>	(2,549)	37.7	<u>(3,510)</u>	(2,509)	39.9
Net profit after tax	<u>10,668</u>	<u>7,701</u>	38.5	<u>10,304</u>	<u>7,439</u>	38.5
(c) Net profit after tax:						
6 months ended 30 June	<u>8,694</u>	3,511	147.6	<u>8,557</u>	3,404	151.4
6 months ended 31 December	<u>1,974</u>	4,190	(52.9)	<u>1,747</u>	4,035	(56.7)
Total for the year	<u>10,668</u>	<u>7,701</u>	38.5	<u>10,304</u>	<u>7,439</u>	38.5
(d) Gross premium income						
6 months ended 30 June	<u>17,843</u>	15,329	16.4	<u>17,462</u>	14,995	16.5
6 months ended 31 December	<u>12,143</u>	11,002	10.4	<u>11,991</u>	10,838	10.6
Total for the year	<u>29,986</u>	<u>26,331</u>	13.9	<u>29,453</u>	<u>25,833</u>	14.0

Note : NM = Not Meaningful

1. AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2000 (CONT'D)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
(e) Net profit after tax as percentage of gross premium income (%)	35.58	29.25	34.98	28.80
(f) Net profit after tax as percentage of issued capital and reserves (%)	12.4	9.5	12.3	9.3
(g) Net earnings per share (cents)	26.2	18.9	25.3	18.2
(h) Net tangible asset backing per share (S\$)	2.11	1.99	2.06	1.96

The provision for taxation contain an adjustment of S\$11,000 for over 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

During the financial year, the Company took over the general insurance business undertaking from Industrial & Commercial Insurance Ltd ("ICI"), a related company.

New business initiatives, particularly those launched in conjunction with the parent bank and the transfer of business from ICI contributed a 9.6% real growth in gross premium (after discounting the premium transferred arising from the ICI Scheme of Transfer).

The continued pursuance of a prudent underwriting policy produced a better underwriting profit. Investment Income was significantly higher due largely to a special dividend paid by ICI and profits realised from the sale of certain investments.

The combined increase in underwriting profit and investment income resulted in a record net profit before tax for the 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 2000 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 erosion of premium rates and pressure on underwriting margins are expected to continue in the general insurance market. Through prudent underwriting and implementation of new business strategies, the Company expects to achieve a comparable level of underwriting profit. The unusually high investment earnings in Year 2000 may be difficult to repeat in the coming year.

4. DIVIDEND

The Directors recommend the payment of a final dividend of 15% or 15 cents per share (1999 : 15% or 15 cents per share) less 24.5% Singapore income tax (1999 : 25.5%) for the financial year ended 31 December 2000.

Together with the interim payment of 5% or 5 cents per share paid previously, the total dividend for the financial year ended 31 December 2000 would be 20% (1999 : 15%) amounting to a total net dividend payment of S\$6.1 million (1999 : S\$4.6 million). If the proposed final dividend is approved at the Annual General Meeting, it will be paid on 15 June 2001.

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.

6. BALANCE SHEET

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Fixed Assets	548	537	548	537
Long-Term Investments	11,568	12,648	16,508	17,588
Other Non-Current Debtors	12	36	12	36
Unsecured Term Loan	43	45	43	45
Reinsurers' Share of Technical Balances	26,220	20,590	26,019	20,434
Current Assets (includes investments)	107,718	93,379	100,695	86,947
Less : Current Liabilities	11,254	10,374	11,163	10,295
Net Current Assets	96,464	83,005	89,532	76,652
Technical Balances	(48,827)	(35,635)	(48,514)	(35,360)
Deferred Taxation	(201)	(153)	(201)	(153)
	85,827	81,073	83,947	79,779
Represented by :-				
Share Capital	40,770	40,770	40,770	40,770
Revenue Reserve	45,057	40,303	43,177	39,009
	85,827	81,073	83,947	79,779

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 2001, the Share Transfer Books and the Register of Members of the Company will be closed from 5 June 2001 to 6 June 2001, 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 4 June 2001 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.

BY ORDER OF THE BOARD

MRS. VIVIEN CHAN
SECRETARY

Dated this 9th day of March 2001