
NEWS RELEASE

New opportunities for Asian SMEs Launch of the ASEAN China Investment Fund

Bangkok/Berne, 19 March 2004 - The ceremony for the launching of the ASEAN China Investment Fund was held today in Bangkok in the presence of Mr Joseph Deiss, President of the Swiss Confederation, ASEAN Secretary-General Mr Ong Keng Yong, and Mr Wee Ee Cheong, Deputy Chairman and President of the United Overseas Bank of Singapore. The ASEAN China Investment Fund is a private equity fund that provides capital for small and medium sized enterprises located within ASEAN and the People's Republic of China. The Swiss Government, the Asian Development Bank and United Overseas Bank are among the sponsors/investors of this fund.

The ASEAN China Investment Fund (the "Fund") will focus on small and medium-sized enterprises in the ASEAN/China region that have attractive growth prospects and are engaged in intra-regional and inter-regional trade or investment activities.

"The Swiss Government, together with the Asian Development Bank, initiated this project and is among its main investors", said President Deiss today. "This is the first private equity fund that will serve SMEs throughout the ASEAN/China region. We believe that this Fund will contribute towards growth and poverty reduction in the region. It will also help to promote closer economic and trade links among the countries of ASEAN, and between ASEAN and China."

The Fund aims to raise capital commitments totalling US\$125 million. A first closing was realized in January this year at US\$60 million. The initial core investors include the Asian Development Bank, the Swiss Government represented by the State Secretariat for Economic Affairs, the French development finance institution Proparco, the Japan Asia Investment Company, and the United Overseas Bank of Singapore.

An additional US\$15million has been committed by China Development Bank subject to final regulatory approval.

The Fund is structured as a closed-end limited partnership and has a charter life of eight years, with an option for two one-year extensions. The Fund is targeted at high growth companies from various sectors, such as automotive parts, electronics, distribution, transport, light manufacturing and information technology. The investments will generally be held by the Fund for three to five years. By the end of the Fund's life, all investments are expected to be liquidated and the capital, including returns, distributed to the investors.

Mr Wee Ee Cheong, Deputy Chairman and President of United Overseas Bank ("UOB") Group said: "This Fund is a tangible example of the public and private sectors coming together to facilitate and develop the inherent growth possibilities of the ASEAN China growth corridor on a sustainable basis. UOB is pleased to be involved both as a sponsor and as the fund manager and advisor through its subsidiaries, UOB Global Capital and UOB Venture Management".

Describing the establishment of the Fund as "timely", ASEAN Secretary-General Ong Keng Yong noted that access to capital had remained limited since the Asian financial crisis, particularly for SMEs. He said: "This fund will contribute towards the development of economic growth and further integration in the region."

UOB Capital Partners LLC, a special purpose company, is the General Partner of the Fund and is responsible for the management of the Fund. The General Partner has engaged UOB Venture Management Ltd (UOBVM), a wholly-owned subsidiary of UOB Group in Singapore, to provide investment advisory services to the Fund.

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