
NEWS RELEASE

Proposed Merger Of Kay Hian Holdings Limited, UOB Securities Pte Ltd And The UOB Group's Overseas Stockbroking Interests (the "Proposed Merger")

Further to the announcement dated 28 March 2000, the Board of Directors of United Overseas Bank Limited ("UOB") is pleased to announce that the Singapore Exchange Securities Trading Limited ("SGX-ST") has, on 1 August 2000, given in-principle approval for the listing and quotation of new ordinary shares of S\$0.10 each in the capital of Newco ("Newco Shares") on the Official List of the SGX-ST, to be issued under the Proposed Merger. Newco will be the new holding company of which UOB Securities Pte Ltd ("UOBS") and Kay Hian Holdings Limited ("Kay Hian") will be wholly-owned subsidiaries and to which the UOB Group's Overseas Stockbroking Interests in the Philippines, Thailand, Indonesia, Hong Kong S.A.R. and Malaysia will be transferred, subject to the satisfaction (or waiver) of all relevant conditions.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the share exchange agreement pursuant to which United Investments Limited ("UIL") will sell all its shares in the capital of UOBS to Newco (the "Share Exchange Agreement"), or of the transfer of the Overseas Stockbroking Interests, or of Newco and/or Newco Shares.

The completion of the Share Exchange Agreement is still conditional upon, inter alia, the following:

- (a) the approval of the shareholders of UOB to the terms of the Share Exchange Agreement at an extraordinary general meeting (the "EGM") to be convened;
- (b) the receipt of all relevant governmental, regulatory and other statutory approvals and consents which UIL requires in order to enable it to implement and give effect to the Share Exchange Agreement; and
- (c) the fulfilment of the conditions pursuant to the scheme of arrangement under Section 210 of the Companies Act, Chapter 50 of Singapore to effect the share exchange between the

shareholders of Kay Hian and Newco (the "Scheme").

The completion of the transfer of each of the Overseas Stockbroking Interests is still conditional upon, inter alia, the following:

- (a) the approval of the shareholders of UOB to the terms of each such transfer at the EGM to be convened;
- (b) the receipt of all relevant governmental, regulatory and other statutory approvals and consents required in the respective jurisdictions in order to give effect to each such transfer; and
- (c) the completion of the Share Exchange Agreement and the Scheme becoming effective and binding.

A Circular setting out the details of the Share Exchange Agreement, the transfer of the Overseas Stockbroking Interests and the Proposed Merger, and the EGM of the shareholders of UOB to be convened, will be despatched in due course.

By Order Of The Board

Mrs Vivien Chan

Company Secretary

Dated this 1st day of August 2000