

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. UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2000

| | <u>Group</u> | | | <u>Company</u> | | |
|--|-----------------------------|-----------------------------|------------------------------------|-----------------------------|-----------------------------|------------------------------------|
| | <u>30.6.2000</u> S\$'000 | <u>30.6.1999</u> S\$'000 | <u>Incr/</u> <u>(Decr)</u> % | <u>30.6.2000</u> S\$'000 | <u>30.6.1999</u> S\$'000 | <u>Incr/</u> <u>(Decr)</u> % |
| (a) Gross premium income | <u>17,843</u> | <u>15,329</u> | 16.4 | <u>17,462</u> | <u>14,995</u> | 16.5 |
| Gross investment income | 5,063 | 2,037 | 148.6 | 4,871 | 1,885 | 158.4 |
| Profit on sale of investments | 4,522 | 1,056 | 328.2 | 4,522 | 1,056 | 328.2 |
| Other income | 36 | 96 | (62.5) | 36 | 96 | (62.5) |
| Non-underwriting income | <u>9,621</u> | <u>3,189</u> | 201.7 | <u>9,429</u> | <u>3,037</u> | 210.5 |
| (b) Underwriting profit | <u>2,315</u> | <u>2,136</u> | 8.4 | <u>2,359</u> | <u>2,164</u> | 9.0 |
| Net profit before tax, depreciation and provision for investments | 11,400 | 5,067 | 125.0 | 11,236 | 4,939 | 127.5 |
| Less/(Add): | | | | | | |
| Depreciation | 37 | 34 | 8.8 | 37 | 34 | 8.8 |
| (Writeback of provision)/provision for diminution in value of investments | (287) | 305 | NM | (287) | 305 | NM |
| Net profit before tax | <u>11,650</u> | <u>4,728</u> | 146.4 | <u>11,486</u> | <u>4,600</u> | 149.7 |
| Less: | | | | | | |
| Taxation | 2,956 | 1,217 | 142.9 | 2,929 | 1,196 | 144.9 |
| Net profit after tax | <u>8,694</u> | <u>3,511</u> | 147.6 | <u>8,557</u> | <u>3,404</u> | 151.4 |
| Note : NM = Not Meaningful | | | | | | |
| (c) Annualised net profit as a percentage of average issued capital and reserves (%) | 20.3 | 8.8 | | 20.4 | 8.7 | |
| (d) Annualised earnings per share (cents) | 42.6 | 17.2 | | 42.0 | 16.7 | |
| (e) Net tangible asset backing per share (S\$) | 2.21 | 2.00 | | 2.17 | 1.97 | |

The provision for taxation does not contain any adjustment for under or over provision of tax in respect of prior years. There are no pre-acquisition profits nor any profit on sale of properties.

2. DIRECTORS' COMMENTS

Growth in gross premium was derived mainly from new business initiatives and business secured from Industrial & Commercial Insurance Limited ("ICI") after a Scheme of Transfer ("Scheme") approved by the High Court. After discounting the premium transferred from ICI, the growth achieved in gross premium is approximately 9%.

Underwriting profit was better than that achieved in the same period last year. Non-underwriting income rose significantly due mainly to higher dividends from ICI and profits from sale of investments.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between 30 June 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'S PROSPECTS

The general insurance industry remains intensely competitive with severe rate reductions, particularly for property insurances. The Company's growth in gross premium will continue to come from the new business initiatives and the assumption of ICI's business. Barring unforeseen circumstances, underwriting profit is expected to be higher than the level attained last year. Non-underwriting income should be better as the half year income had exceeded that achieved in the entire 12 months of 1999.

4. DIVIDEND

The Directors are pleased to declare an interim dividend of 5% or 5 cents per share less 25.5% Singapore income tax (1999:NIL) for the year ending 31 December 2000. The total net interim dividend would amount to S\$1.5 million. The dividend will be paid on 1 September 2000.

5. CLOSURE OF BOOKS

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed from 23 August 2000 to 24 August 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 22 August 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 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 4th day of August 2000