

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 2001

	Group			Company		
	<u>30.6.2001</u> S\$'000	<u>30.6.2000</u> S\$'000	Incr/ (Decr) %	<u>30.6.2001</u> S\$'000	<u>30.6.2000</u> S\$'000	Incr/ (Decr) %
(a) Gross premium income	<u>18,424</u>	<u>17,843</u>	3.3	<u>18,086</u>	<u>17,462</u>	3.6
Gross Investment income	3,356	5,389	(37.7)	3,213	5,250	(38.8)
Profit on sale of investments	788	4,242	(81.4)	788	4,242	(81.4)
Other income	4	36	(88.9)	4	36	(88.9)
Non-underwriting income	<u>4,148</u>	<u>9,667</u>	(57.1)	<u>4,005</u>	<u>9,528</u>	(58.0)
(b) Underwriting profit	<u>2,292</u>	<u>2,315</u>	(1.0)	<u>2,361</u>	<u>2,359</u>	0.1
Net profit before tax, depreciation and provision for investments	5,964	11,445	(47.9)	5,891	11,335	(48.0)
Less/(Add):						
Depreciation	36	37	(2.7)	36	37	(2.7)
Writeback of provision for diminution in value of investments	(140)	(287)	51.2	(140)	(287)	51.2
Net profit before tax	<u>6,068</u>	<u>11,695</u>	(48.1)	<u>5,995</u>	<u>11,585</u>	(48.3)
Less:						
Taxation	1,490	2,956	(49.6)	1,469	2,929	(49.8)
Net profit after tax	<u>4,578</u>	<u>8,739</u>	(47.6)	<u>4,526</u>	<u>8,656</u>	(47.7)
(c) Annualised net profit as a percentage of average issued capital and reserves (%)	10.1	19.9		10.2	20.1	
(d) Annualised earnings per Share (cents)	22.5	42.9		22.2	42.5	
(e) Net tangible asset backing per Share (S\$)	2.23	2.21		2.17	2.17	

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

The 3.3% premium growth this year was understated as last year's premium income had the benefit of a one-time book adjustment arising from the insurance undertaking transferred from Industrial & Commercial Insurance Ltd ("ICI"). Without the one-time book adjustment last year, premium growth this year would be about 11%. The growth was due to the implementation of several business initiatives launched in conjunction with the parent bank.

Underwriting profit was comparable to that achieved last year. Investment income was significantly lower due to the absence of a special dividend paid by ICI and profits from sale of certain investments that were available only last year.

With effect from 1 January 2001, the Group has adopted the Statement of Accounting Standard (SAS) 10 : Events After The Balance Sheet Date, which does not recognise dividends that are proposed or declared after the balance sheet date as a liability in the balance sheet.

The adoption of SAS 10 resulted in an increase to the profit after tax of the Company by S\$42,000 and S\$99,000 in the first half years of 2001 and 2000 respectively, and S\$45,000 for the Group in the first half year of 2000. There is no impact on the Group's profit after tax in the first half year of 2001.

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 2001 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 business environment within the general insurance industry will continue to be difficult. The Company will remain prudent in managing its risks. Therefore underwriting profit is expected to be comparable to that attained last year. Non-underwriting income is expected to be less than that achieved last year.

4. DIVIDEND

The Directors are pleased to declare an interim dividend of 5% or 5 cents per share (2000 : 5% or 5 cents per share) less 24.5% Singapore income tax (2000 : 25.5%) for the year ending 31 December 2001. The total net interim dividend would amount to S\$1.5 million. The dividend will be paid on 31 August 2001.

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 21 August 2001 to 22 August 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 20 August 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 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 3rd day of August 2001