

Proposed Merger Of UOB Securities Pte Ltd, Kay Hian Holdings Limited And The Transfer Of The UOB Group's Overseas Stockbroking Interests (The "Proposed Merger")**Majority Approval By Shareholders Of United Overseas Bank Limited And Kay Hian Holdings Limited At Respective Extraordinary General Meetings**

Singapore, Hong Kong S.A.R. & Bangkok, 27 September 2000 – United Overseas Bank Limited (UOB) and Kay Hian Holdings Limited (Kay Hian) are pleased to announce the successful conclusion of their respective Extraordinary General Meetings (EGMs) today for the merger of UOB Securities Pte Ltd (UOBS) and Kay Hian into a new investment holding company called UOB-Kay Hian Holdings Limited (UOB-Kay Hian).

In the face of new challenges and increased competition generated by the liberalisation of the financial sector in Singapore, the merger will place UOB-Kay Hian in a stronger position to compete more effectively. UOB-Kay Hian will be the largest stockbroking group in Singapore with approximately 458 dealers and remisiers and 275 support staff. In addition, UOB-Kay Hian's combined staff number will be 65 in Hong Kong S.A.R. and 150 in Thailand. The merger brings UOB-Kay Hian's 1999 year-end turnover to S\$300 million, with Net Profit After Tax at S\$93 million. UOB-Kay Hian will be backed by outstanding research and a strong commitment to online financial services.

The UOB EGM also approved the proposed transfer of the Overseas Stockbroking Interests of the UOB Group in Hong Kong S.A.R., Thailand, Malaysia, Indonesia and the Philippines to UOB-Kay Hian for a cash consideration. The completion of the transfer of the Overseas Stockbroking Interests will add to and expand the regional operations of UOB-Kay Hian through the development of its research and stockbroking businesses in the region. The Singapore Exchange Securities Trading Limited (SGX-ST) had given in-principle approval for the listing and quotation for the entire issued share capital of UOB-Kay Hian on the Official List of the SGX-ST.

Held at the UOB Penthouse, the UOB EGM concluded with a majority vote for the Share Exchange Agreement and the Transfer of the Overseas Stockbroking Interests to UOB-Kay Hian. Commenting on the results of the meeting, Mr Neo Chin Sang, Chief Executive Officer of UOBS, said, "This is an excellent step in the right direction. The majority of UOB shareholders were in favour of the merger resolutions. Once the remaining merger conditions are fulfilled, we can look forward to UOB-Kay Hian's strong market positioning in the competitive stockbroking industry." The merger is in line with UOB's strategy to be a premier bank in the Asia-Pacific region.

On an equally successful note at another meeting, the Kay Hian EGM concluded with a unanimous shareholder vote for the Scheme and a 100% approval at the Court Meeting prior to the EGM. Mr Wee Ee Chao, Chairman & Managing Director of Kay Hian, commented, “We are pleased with the outcome as it indicates our shareholders’ confidence in this merger. The majority was in agreement with the rationale behind the new entity and its synergistic merits. With this merger, customers and shareholders will benefit from the combined enhanced profitability of UOB-Kay Hian.”

Kay Hian will benefit from the stronger regional presence and offer its existing clients regional securities trading and research coverage. UOBS and the Overseas Stockbroking Interests of the UOB Group, on the other hand, will leverage on Kay Hian’s credible research capabilities and placement power in Singapore. UOB-Kay Hian will serve institutional and retail clients in stockbroking, financial futures and related services.

The completion of the merger of UOBS and Kay Hian into UOB-Kay Hian is still subject to:

- (a) the Share Exchange Agreement being completed; and
- (b) the Scheme being sanctioned by, and the reduction of the share capital of Kay Hian being confirmed by, the High Court of Singapore and a copy of the Court Order being delivered to the Registrar Of Companies and Businesses for registration.