

ONG Chin Woo
259C Compassvale Road
#04-631 Singapore 543259
Tel: (65) 9862 8896
Email: wangzy71@singnet.com.sg

04-March-2005

To: Shareholders of Overseas Union Enterprise Limited (“OUE”)

Dear Fellow Shareholder,

PROPOSED RESOLUTIONS TO UNLOCK VALUE FOR OUE’S SHAREHOLDERS

I am writing on behalf of a group of 100 OUE’s shareholders. We are writing to seek your support in urging the Board of Directors of OUE to consider initiatives to unlock the value of OUE for the benefit of all shareholders.

Background Information

Public disclosures and announcements by OUE indicate that OUE has total shareholders’ equity in excess of \$1330m, with retained earning of more than \$725m. And OUE has an extremely high shareholders’ equity to total assets ratio of about 93%.

More importantly, OUE currently has liquid assets with market value of about \$900m, comprising about \$200m cash and \$670m worth of investment in United Overseas Bank Limited (“UOB”) shares. In addition, OUE has a tax credit of between \$80m~\$90m.

Despite having very strong financial position and substantial amount of tax credit, dividend payout by OUE continues to be disappointing. By 2007, most of the tax credit will probably be wasted if no concrete actions are being taken by OUE to payout special gross dividend amounting to between \$400m~\$450m (or \$2, 200~\$2, 500 for every 1000 OUE shares held) to shareholders.

In stark contrast, related companies Overseas Union Insurance Limited (“OUI”) and United Overseas Land Limited (“UOL”) had been very generous in returning value to shareholders. Both companies had rapidly paid out substantial amount of their exceptional gains from the divestiture of their quoted investments as special dividends to shareholders.

Proposals To Unlock Shareholders’ Value

As OUE’s shareholders, we believe that there are options available that can provide for the orderly unlocking of value for the benefit of all OUE’s shareholders, without compromising the financial position and future growth of the company. Such options include, inter alia,

1. the appointment of a financial adviser to look into options for the unlocking of shareholders’ value;
2. the distribution of part or all of the 3.08% stake in UOB to shareholders; and
3. the amendment of OUE’s articles of association to allow for share buyback, followed by a share buyback exercise.

What We Had Done So Far

In March 2004, we wrote to OUE requesting to table a resolution at the 2004 Annual General Meeting (“AGM”) to propose the distribution of 35m UOB shares (or 200 UOB shares for every 1, 000 OUE shares held) to OUE’s shareholders. At that time, OUE’s Board of Directors rejected our proposed resolution, citing that “the authority to recommend dividends is conferred solely on the Directors of the Company by virtue of the Company’s articles of association”. Thereafter, we had on several occasions written to OUE, urging for shareholders’ value to be unlocked but to no avail.

On 04-March-2005, we wrote to OUE again, proposing to table the following as resolutions (“the Proposed Resolutions”) to be passed by members of OUE in the coming AGM, subject to the Board’s acceptance:

1. **Resolution 1:** To appoint a financial advisor to evaluate options to unlock shareholders’ value; and
2. **Resolution 2:** To distribute 35, 264, 074 issued ordinary shares in the capital of United Overseas Bank Limited to OUE’s shareholders.

An elaboration on the rationale for the Proposed Resolutions can be found at Annex A. We believe that the Proposed Resolutions would be beneficial to all OUE’s shareholders, without compromising other stakeholders or adversely affecting the financial position and future growth of OUE.

Therefore, we would like to invite you to join us in urging the OUE’s Board to consider the Proposed Resolutions. To indicate your support towards the Proposed Resolutions, please sign the letter enclosed as Annex E and forward the duly signed letter to:

Board of Directors
Overseas Union Enterprise Limited
333 Orchard Road
6th Storey
Overseas Union Building
Singapore 238867

Should you wish to keep us inform of your decision or need further clarifications, please contact us at:

Mr ONG Chin Woo

or Mr KOH Beng Ling

Tel: (65) 9862 8896

Tel: (65) 9816 8626

Email: wangzy71@singnet.com.sg

We look forward to your support. Thank You.

Yours Sincerely,



Attachments:

Letter to OUE’s Board of Directors

Annex A: The Proposed Resolutions.

Annex E: Letter to Support Resolutions

王振宇
259C Compassvale Road
#04-631 Singapore 543259
电话: (65) 9862 8896
电邮: wangzy71@singnet.com.sg

2005年3月4日

致: 同为华联企业有限公司(“华联企业”)的股东

亲爱的华联企业股东:

要求华联企业释放股东价值的决议案

本人谨此代表100位华联企业的股东寻求您的支持, 共同恳求华联企业的董事部, 慎重考虑并采取相关步骤, 释放股东价值以回馈股东。

背景资料

从华联企业所公布的讯息, 可发现华联企业拥有超过\$13亿3千万的股东资本, 可供分派的累积盈余约\$7亿2千5百万。华联企业的股东资本对总资产比例也高达93%。

更重要的是, 华联企业拥有市值近\$9亿的流动资产, 其中包括了约\$2亿的现金和市价约\$6亿7千万的大华银行有限公司(“大华银行”)股票。与此同时, 华联企业共累积了\$8千万至\$9千万的税收减免数额。

尽管华联企业的财务状况固若磐石, 并有相当的税收减免数额, 华联企业这几年的股息派发率可谓让人大失所望。倘若华联企业不采取具体行动, 派发约\$4亿至\$4亿5千万(或每1000股可获约\$2, 200至\$2, 500)的未扣税特别股息予股东, 那相当可观的税收减免数额将因在2007年失效, 而被无故浪费。

同相关公司华联保险有限公司和大华置业有限公司的慷慨大方比较。华联企业在回馈股东方面可算是相形见绌, 差强人意。这两公司迅速的将沽售投资的大部分非常项盈余, 当特别股息派发与股东。

释放股东价值的建议

身为华联企业的股东, 我们深信华联企业有能力在不影响公司的财务状况和前景的前提下, 采取具体有效的行动释放股东价值回馈股东。其中包括了下列途径:

1. 委任财务顾问, 探讨如何释放股东价值以回馈股东。
2. 将华联企业所持有的约4千8百万大华银行股票, 部份或全数分派予股东。
3. 通过议案修改华联企业的公司章程以允许华联企业回购本身股票。并进一步在市场回购本身股票。

ONG Chin Woo
Block 259C Compassvale Road
#04-631 Singapore 543259
Tel: (65) 9862 8896
Email: wangzy71@singnet.com.sg

04-March-2005

Board of Directors
Overseas Union Enterprise Limited
333 Orchard Road
6th Storey
Overseas Union Building
Singapore 238867

Dear Sirs,

TO PROPOSE THE FOLLOWING AS ORDINARY RESOLUTIONS IN THE ANNUAL GENERAL MEETING

On behalf of 100 Overseas Union Enterprise Limited (“OUE”) shareholders as at the date of the deposit of this requisition, I hereby request for the following to be tabled as Ordinary Resolutions in the coming Annual General Meeting of OUE:

1. **Resolution 1:** To appoint a financial advisor to evaluate options to unlock shareholders' value.
2. **Resolution 2:** To distribute 35, 264, 074 issued ordinary shares in the capital of United Overseas Bank Limited to OUE’s shareholders.

I believe that this request is in accordance with the requirements of s183 of the Companies Act.

The relevant supporting documents are attached herewith for your reference. For further clarifications and documentation on the matter, please contact me at:

1. Email: wangzy71@singnet.com.sg
2. Mobile phone: (65) 9862 8896

I would also like to request that Annex A be sent to all shareholders at my cost. Please let me know the cost involved to send out the annex.

Subsequently, I shall be approaching and discussing this matter with other shareholders. Since it is vital that we are completely transparent in this exercise, I have also copied this letter to the SGX. I would also suggest that you seek advice in disclosing or announcing our request as soon as possible.

Thank You.

Yours Sincerely,



Attachments:

Annex A: The Proposed Resolutions.

Annex B: Summary Of Our Shareholding.

Annex C: Letter Indicating Our Beneficial Interest.

Annex D: Requisition Letters From Individual Shareholders.

cc. (Enclosing only Annex A)

The Singapore Exchange Securities Trading Limited
2 Shenton Way
#19-00 SGX Centre
Singapore 068804

OUE's Shareholders

The Straits Times

The Business Times

Lianhe Zaobao

Channel NewsAsia

A. Background information

In 2001, Overseas Union Enterprise Limited (“OUE”) netted substantial exceptional gains of \$566m from the sale of its investment in Overseas Union Bank Limited (“OUB”)¹. Consequently, OUE’s shareholders’ fund increased from \$830m in 2000 to \$1360m in 2001², and OUE’s distributable capital reserve also increased significantly to \$688m³.

On 2 November 2001, OUE paid a gross special dividend of \$50m⁴, or less than 10% of the exceptional gains of \$566m. The special dividend payout pale in comparison to that of affiliated Overseas Union Insurance Limited (“OUI”). OUI had since paid cumulative gross special dividends amounting to \$62.5m⁵, or about 70% of the exceptional gains arising from the sale of its investment in OUB.

On 1 Dec 2004, United Overseas Land Limited (“UOL”) declared a net special interim dividend amounting to \$276m, or about 97% of the exceptional gains of \$284m realized from the open market disposal of 32.8m United Overseas Bank Limited (“UOB”) shares it held, fully utilizing its section 44 tax credit. Comparing OUE and UOL, we believe that OUE is in a similar position to unlock shareholders’ value⁶.

In both Annual General Meetings held in 2003 and 2004, the Board mentioned that OUE currently has an outstanding tax credit of between \$80m~\$90m, which translated to a total gross dividend payable of \$400m~\$450m. The tax credit will expire in 2007. If the current gross dividend payout of \$21m per annum is to maintain, substantial amount of the tax credit will be un-utilized and wasted.

In addition, since financial year 2002, the normal dividends paid by OUE were about \$6m lower than the dividends OUE received from UOB⁷. While OUE has also declared a gross special dividend of \$7m for current financial year, this amount is lower than the special dividend OUE received from Singapore Press Holding Limited (“SPH”)⁸. SPH had completed a capital reduction exercise in 2004⁹.

We believe that the following resolutions, if accepted and passed, can provide certainty and orderly unlocking of value to the benefits of all OUE’s shareholders.

1. **Resolution 1:** To appoint a financial advisor to evaluate options to unlock shareholders' value.
2. **Resolution 2:** To distribute 35, 264, 074 issued ordinary shares in the capital of UOB to OUE’s shareholders.

¹ *OUE Annual Report 2001*, Pg 39, Note 7(c).

² *OUE Annual Report 2003*, Pg 16.

³ *OUE Annual Report 2001*, Pg 61, Note 26(d).

⁴ *OUE Annual Report 2001*, Pg 15.

⁵ *OUI Annual Report 2002*, Pg 7.

⁶ Table 1: Comparison Between OUE And UOL.

⁷ Table 2: Computation Of Dividends OUE Received From UOB.

⁸ Table 3: Computation Of Capital Returned By SPH To OUE.

⁹ *SPH Annual Report 2004*, Pg 90.

B. Resolution 1: The Proposed Appointment

To propose the appointment of a financial advisor to evaluate options to unlock shareholders' value.

Rationale

High level of shareholders' equity. OUE currently has a shareholders' equity to total asset ratio of about 93%, when most peers in the hotel industry operate with the ratio at about 60%¹⁰. This ratio is also much higher than OUE's historical average of about 67% from 1996 to 2000¹¹. Appointing a financial advisor can help OUE to derive at a more optimal capital structure.

Sizeable liquid assets of about \$900m. OUE currently has cash of about \$180m¹² and a quoted equity investment portfolio with market value of about \$700m¹³. Appointing a financial advisor can assist OUE in deciding how the liquid assets and resources can be deployed to the benefits of all shareholders.

Unused tax credit. Appointing a financial advisor can help OUE to evaluate the different options available to return the outstanding tax credit of between \$80m~\$90m to shareholders, without comprising the funding needs and future growth of OUE.

Beneficial to all shareholders. The financial advisor can provide all shareholders with a clear value of OUE, facilitating all shareholders in making informed decisions regarding their investments in OUE and avoid unnecessary confusion or fire sale.

Strong financial position. Considering the strong financial position, we believe that the proposed appointment can assist OUE to unlock value for all OUE's shareholders in a timely and orderly manner.

¹⁰ Table 4: Peer Comparison.

¹¹ Table 5: Historical Comparison.

¹² *OUE 2004Q3 result announcement.*

¹³ *OUE Annual Report 2003*, Pg 43.

C. Resolution 2: The Proposed Distribution

To propose the distribution of 35, 264, 074 issued ordinary shares in the capital of UOB to OUE's shareholders.

Rationale

Returning value to shareholders. At a price of \$13.84¹⁴ for UOB shares, the proposed distribution allows OUE to return \$488m as special dividend to shareholders. Each shareholder holding 1,000 shares in OUE will receive 200 UOB shares at no cost¹⁵.

Returning tax credit to shareholders, conserving cash and borrowing capacity. While both special cash dividends and the proposed distribution allow the return of tax credit to shareholders. The proposed distribution allows OUE to conserve cash and borrowing capacity to fund future needs. After the proposed distribution, OUE will continue to hold 13, 073, 654 UOB shares, worth about \$180m¹⁶, which can be redeployed if necessary.

Realizing value in investment. At a price of \$13.84 for UOB shares, against the carrying cost of \$9.60¹⁷, the proposed distribution allows OUE to realize a gain of about \$150m from its investment in UOB shares¹⁸.

Removing investment concentration risk. Investment in UOB continues to account for a very high proportion of OUE's assets. It constitutes about 95% of the cost of investment in quoted equity and about 32% of OUE's total asset¹⁹. Given the extreme volatility in the financial market in the recent years, the proposed distribution can reduce the risk of portfolio concentration.

Shareholder autonomy. Shareholders can determine independently how they want to deal with the UOB shares they receive after the proposed distribution.

Efficient and Effective. We believe that the proposed distribution represents an efficient and effective way of returning value to shareholders, while at the same time allowing OUE to conserve cash and borrowing capacity to fund future needs.

D. Conclusion

We believe that our proposed resolutions, if accepted and passed, can benefit all shareholders of OUE without comprising other stakeholders and the future growth of OUE.

We would therefore like to seek the support from the Board and shareholders for the proposed resolutions to be accepted and passed at the coming Annual General Meeting of OUE.

¹⁴ Being the average closing price of UOB shares for the month of January 2005.

¹⁵ Table 6: Computation Of Special Dividend.

¹⁶ Table 6: Computation Of Special Dividend.

¹⁷ Table 7: Computation Of Carrying Cost of UOB shares.

¹⁸ Table 8: Computation Of Profit From The Proposed Distribution.

¹⁹ Table 9: Investment Concentration In UOB Shares At Cost.

Annex A: The Proposed Resolutions

Table 1a: Comparison Between OUE And UOL (The Balance Sheet Of OUE)

	Balance sheet as at 30/09/2004 (\$'000)	Revaluation adjustments (\$'000)	Revalued balance sheet (\$'000)
Assets			
Current assets			
Properties under development	-		-
Developed properties for resale	-		-
Investments	-		-
Tax recoverable	-		-
Cash and cash equivalents	181,306		181,306
Receivables	16,689		16,689
Inventories	2,942		2,942
Other current assets	3,972		3,972
	204,909	-	204,909
Non-current asset			
Other investments	520,283	214,588	734,871
Investments in associated companies	215,679		215,679
Investments in subsidiary companies	-		-
Investment properties	134,192		134,192
Property, plant and equipment	403,034	163,043	566,077
Expenditure carried forward	-		-
Intangibles	-		-
Deferred tax assets	443		443
	1,273,631	377,631	1,651,262
Total assets	1,478,540	377,631	1,856,171
Liabilities			
Current liabilities			
Trade and other payables	45,609		45,609
Provision for current tax	4,541		4,541
Borrowings & overdrafts	-		-
	50,150	-	50,150
Non-current liabilities			
Borrowings	39,843		39,843
Loans from minority shareholder of a subsidiary	-		-
Rental deposits	-		-
Provision for retirement benefits	-		-
Deferred liabilities	-		-
Deferred tax liabilities	9,496		9,496
	49,339	-	49,339
Total liabilities	99,489	-	99,489
Net assets	1,379,051	377,631	1,756,682
Total shareholders' equity			
Share capital	176,320		176,320
Share premium	312,565		312,565
Capital reserves	796,974		796,974
Retained earnings	86,492		86,492
Revaluation adjustments	-	377,631	377,631
Total shareholders' equity	1,372,351	377,631	1,749,982
Minority interests	6,700		6,700
	1,379,051	377,631	1,756,682

Annex A: The Proposed Resolutions

Table 1b: Comparison Between OUE And UOL (The Balance Sheet Of UOL)

	Balance sheet as at 30/09/2004 (\$'000)	Revaluation adjustments (\$'000)	Revalued balance sheet (\$'000)
Assets			
Current assets			
Properties under development	144,206		144,206
Developed properties for resale	5,832		5,832
Investments	176,117	605,382	781,499
Tax recoverable	1,951		1,951
Cash and cash equivalents	98,297		98,297
Receivables	32,451		32,451
Inventories	4,339		4,339
Other current assets	6,087		6,087
	469,280	605,382	1,074,662
Non-current assets			
Other investments	296,369	12,290	308,659
Investments in associated companies	37,156		37,156
Investments in subsidiary companies	-	62,834	62,834
Investment properties	1,581,310		1,581,310
Property, plant and equipment	574,982		574,982
Expenditure carried forward	648		648
Intangibles	13,496		13,496
Deferred tax assets	536		536
	2,504,497	75,124	2,579,621
Total assets	2,973,777	680,506	3,654,283
Liabilities			
Current liabilities			
Trade and other payables	82,346		82,346
Provision for current tax	26,390		26,390
Borrowings & overdrafts	345,496		345,496
	454,232	-	454,232
Non-current liabilities			
Borrowings	293,471		293,471
Loans from minority shareholder of a subsidiary	3,300		3,300
Rental deposits	12,043		12,043
Provision for retirement benefits	2,688		2,688
Deferred liabilities	5,497		5,497
Deferred tax liabilities	53,315		53,315
	370,314	-	370,314
Total liabilities	824,546	-	824,546
Net assets	2,149,231	680,506	2,829,737
Total shareholders' equity			
Share capital	791,196		791,196
Share premium	273,324		273,324
Capital reserves	302,942		302,942
Retained earnings	551,228		551,228
Revaluation adjustments	-	680,506	680,506
Total shareholders' equity	1,918,690	680,506	2,599,196
Minority interests	230,541		230,541
	2,149,231	680,506	2,829,737

Table 1c: Comparison Between OUE And UOL (Key Ratios Before Unlocking Of Shareholders' Value)

	OUE	UOL	Remarks
Balance sheet as at 30/09/2004			
<u>Shareholders' equity</u> Total assets	93%	65%	
<u>Cash and cash equivalents</u> Total assets	12%	3%	
<u>Current assets</u> Current liabilities	409%	103%	
<u>Cash and cash equivalents + investments</u> Total assets	47%	19%	
Revalued balance sheet			
<u>Shareholders' equity</u> Total assets	94%	71%	
<u>Cash and cash equivalents</u> Total assets	10%	3%	
<u>Current assets</u> Current liabilities	409%	237%	
<u>Cash and cash equivalents + investments</u> Total assets	49%	33%	

N.B.

1. Revaluation adjusted using data provided in annual reports for Financial Year 2003.
2. Investments portfolios comprise mainly quoted equity shares.

Annex A: The Proposed Resolutions

Table 2a: Computation Of Dividends OUE Received From UOB (For Financial Year 2002)

		Remark
Dividends paid by each UOB share		
An interim dividend of 15 cents per share, net of tax at 22%.	\$ 0.12	<i>UOB Annual Report 2002, Pg 82.</i>
An interim dividend of 18.76 cents per share, net of tax at 22%.	\$ 0.15	Distribution of shares of Haw Par Corporation Limited.
A final dividend of 25 cents per share, net of tax at 22%.	\$ 0.20	
Total net dividend paid by each UOB share	\$ 0.46	
No of UOB shares owned by OUE	\$ 48,337,728	<i>UOB Annual Report 2002, Pg 175.</i>
Total net dividend OUE received from UOB	\$ 22,154,534	
No of shares issued by OUE	\$ 176,320,372	<i>OUE Annual Report 2002, Pg 73.</i>
Dividends paid by OUE		
An interim dividend of 6 cents a share, net of tax at 22%.	\$ 8,251,793	<i>OUE Annual Report 2002, Pg 66.</i>
A final dividend of 6 cents a share, net of tax at 22%.	\$ 8,251,793	
Total net dividend paid by OUE	\$ 16,503,587	
Difference	\$ 5,650,947	

Table 2b: Computation Of Dividends OUE Received From UOB (For Financial Year 2003)

		Remark
Dividends paid by UOB		
An interim dividend of 20 cents per share, net of tax at 22%.	\$ 0.16	<i>UOB Annual Report 2003, Pg 8.</i>
A final dividend of 40 cents per share, net of tax at 20%.	\$ 0.32	
Total net dividend paid by each UOB share	\$ 0.48	
No of UOB shares owned by OUE	\$ 48,337,728	<i>UOB Annual Report 2003, Pg 171.</i>
Total net dividend OUE received from UOB	\$ 23,008,759	
No of shares issued by OUE	\$ 176,320,372	<i>OUE Annual Report 2003, Pg 68.</i>
Dividends paid by OUE		
An interim dividend of 6 cents a share, net of tax at 22%.	\$ 8,251,793	<i>OUE Annual Report 2003, Pg 56.</i>
A final dividend of 6 cents a share, net of tax at 20%.	\$ 8,463,378	Adjusted for change in corporate tax rate.
Total net dividend paid by OUE	\$ 16,715,171	
Difference	\$ 6,293,587	

Table 2c: Computation Of Dividends OUE Received From UOB (For Financial Year 2004)

		Remark
Dividends expected to be paid by UOB		
An interim dividend of 20 cents per share, net of tax at 20%.	\$ 0.16	<i>UOB Result Announcement for FY2004</i>
Proposed final dividend of 40 cents per share, net of tax at 20%.	\$ 0.32	
Total net dividend expected to be paid by each UOB share	<u>\$ 0.48</u>	
No of UOB shares owned by OUE	<u>\$ 48,337,728</u>	<i>UOB Annual Report 2003, Pg 171.</i>
Total net dividend OUE is expected to received from UOB	<u><u>\$ 23,202,109</u></u>	
No of shares issued by OUE	\$ 176,320,372	<i>OUE Annual Report 2003, Pg 68.</i>
Normal dividends expected to be paid by OUE		
An interim dividend of 6 cents a share, net of tax at 20%.	\$ 8,463,378	<i>OUE Result Announcement for FY2004</i>
Proposed final dividend of 6 cents a share, net of tax at 20%.	\$ 8,463,378	
Total net dividend expected to be paid by OUE	\$ 16,926,756	
Difference	<u><u>\$ 6,275,354</u></u>	

Table 3: Computation Of Capital Returned By SPH To OUE

		Remark
OUE's holding of SPH shares		
No of SPH shares owned before the stock splits	2,149,140	<i>SPH Annual Report 2003, Pg 108.</i>
No of SPH shares owned after the 5 for 1 stock splits	10,745,700	<i>SPH Annual Report 2004, Pg 90.</i>
No of SPH shares owned after the capital reduction exercise	<u>9,133,845</u>	<i>SPH Annual Report 2004, Pg 147.</i>
No of SPH shares cancelled	1,611,855	
Amount received for each SPH cancelled	\$ 3.82	<i>SPH Annual Report 2004, Pg 90.</i>
Total amount received by OUE from SPH	<u><u>\$ 6,157,286</u></u>	
No of shares issued by OUE	\$ 176,320,372	<i>OUE Annual Report 2003, Pg 68.</i>
Special dividend expected to be paid by OUE		
Proposed special dividend of 4 cents a share, net of tax at 20%.	\$ 5,642,252	<i>OUE Result Announcement for FY2004</i>
Difference	<u><u>\$ 515,034</u></u>	

Table 4a: Peer Comparison (All SGX Listed Hotel Groups)

Company	Shareholders' equity	Total assets	<u>Shareholders' equity</u> <u>Total assets</u>
AMARA HOLDINGS LTD	\$ 134,838,000	\$ 397,567,000	34%
APOLLO ENTERPRISES LTD	\$ 192,325,114	\$ 284,537,429	68%
GOODWOOD PARK HOTEL LTD	\$ 1,813,502,000	\$ 2,051,531,000	88%
HOTEL GRAND CENTRAL LTD	\$ 353,480,000	\$ 563,227,000	63%
HOTEL MALAYSIA LTD	\$ 509,860,000	\$ 515,399,000	99%
HOTEL NEGARA LTD	\$ 48,304,031	\$ 69,699,085	69%
HOTEL PLAZA LTD	\$ 377,015,000	\$ 896,973,000	42%
HOTEL ROYAL LTD	\$ 144,371,432	\$ 168,741,650	86%
MANDARIN ORIENTAL INTL LTD (US\$)	\$ 599,700,000	\$ 1,289,700,000	46%
OVERSEAS UNION ENTERPRISE LTD	\$ 1,354,540,000	\$ 1,459,516,000	93%
RAFFLES HOLDINGS LIMITED	\$ 1,906,079,000	\$ 2,466,933,000	77%
SEA VIEW HOTEL LTD	\$ 153,636,000	\$ 158,778,000	97%
SHANGRI-LA ASIA LIMITED (US\$)	\$ 2,624,001,000	\$ 4,742,512,000	55%
STAMFORD LAND CORPORATION LTD	\$ 411,717,000	\$ 697,383,000	59%
		Average	70%

Table 4b: Peer Comparison (Hotel Groups Without Value Unlocking)

Company	Shareholders' equity	Total assets	<u>Shareholders' equity</u> <u>Total assets</u>
AMARA HOLDINGS LTD	\$ 134,838,000	\$ 397,567,000	34%
APOLLO ENTERPRISES LTD	\$ 192,325,114	\$ 284,537,429	68%
HOTEL GRAND CENTRAL LTD	\$ 353,480,000	\$ 563,227,000	63%
HOTEL NEGARA LTD	\$ 48,304,031	\$ 69,699,085	69%
HOTEL PLAZA LTD	\$ 377,015,000	\$ 896,973,000	42%
HOTEL ROYAL LTD	\$ 144,371,432	\$ 168,741,650	86%
MANDARIN ORIENTAL INTL LTD (US\$)	\$ 599,700,000	\$ 1,289,700,000	46%
OVERSEAS UNION ENTERPRISE LTD	\$ 1,354,540,000	\$ 1,459,516,000	93%
SHANGRI-LA ASIA LIMITED (US\$)	\$ 2,624,001,000	\$ 4,742,512,000	55%
STAMFORD LAND CORPORATION LTD	\$ 411,717,000	\$ 697,383,000	59%
		Average	61%

Table 4c: Peer Comparison (Hotel Groups With Value Unlocking)

Company	Shareholders' equity	Total assets	<u>Shareholders' equity</u> <u>Total assets</u>
GOODWOOD PARK HOTEL LTD	\$ 1,813,502,000	\$ 2,051,531,000	88%
HOTEL MALAYSIA LTD	\$ 509,860,000	\$ 515,399,000	99%
RAFFLES HOLDINGS LIMITED	\$ 1,906,079,000	\$ 2,466,933,000	77%
SEA VIEW HOTEL LTD	\$ 153,636,000	\$ 158,778,000	97%
		Average	90%

Table 4d: Peer Comparison (Summary Of Value Unlocking Events)

Company	Unlocking Event
GOODWOOD PARK HOTEL LTD	Privatized at the appraised net tangible assets value.
HOTEL MALAYSIA LTD	Under member voluntary liquidation.
RAFFLES HOLDINGS LIMITED	Returned about \$375m via capital reduction to shareholders.
SEA VIEW HOTEL LTD	Paid special gross dividend totaling about \$194m.

N.B.

1. Balance sheet data provided in annual reports.

Annex A: The Proposed Resolutions

Table 5a: Historical Comparison (Before The Disposal Of Investment In OUB In FY2001)
OUE Annual Report 2000, Pg 10.

Financial year ended	Shareholders' equity	Total assets	<u>Shareholders' equity</u> <u>Total assets</u>
31-Dec-96	\$ 579,804,000	\$ 941,868,000	62%
31-Dec-97	\$ 598,546,000	\$ 1,033,502,000	58%
31-Dec-98	\$ 733,680,000	\$ 1,040,501,000	71%
31-Dec-99	\$ 797,105,000	\$ 1,108,938,000	72%
31-Dec-00	\$ 827,484,000	\$ 1,160,302,000	71%
		Average	<u>67%</u>

Table 5b: Historical Comparison (After The Disposal Of Investment In OUB In FY2001)
OUE Annual Report 2003, Pg 16.

Financial year ended	Shareholders' equity	Total assets	<u>Shareholders' equity</u> <u>Total assets</u>
31-Dec-01	\$ 1,359,306,000	\$ 1,457,353,000	93%
31-Dec-02	\$ 1,405,524,000	\$ 1,517,509,000	93%
31-Dec-03	\$ 1,354,540,000	\$ 1,459,516,000	93%
		Average	<u>93%</u>

Table 6: Computation Of Special Dividend.

		Remark
No of shares issued by OUE	176,320,372	<i>OUE Annual Report 2003,</i> <i>Pg 68.</i>
Average closing price of UOB shares for the month of January 2005	\$ 13.84	
The proposed distribution	No of UOB shares	Market value of UOB shares
UOB shares own by OUE before the proposed distribution	48,337,728	\$ 668,752,467
The proposed distribution of UOB shares	35,264,074	\$ 487,878,469
UOB shares own by OUE after the proposed distribution	<u>13,073,654</u>	<u>\$ 180,873,998</u>
Each shareholder holding 1000 shares in OUE receives	200	\$ 2,767

Annex A: The Proposed Resolutions

Table 7: Computation Of Carrying Cost Of UOB Shares

		Remarks
No of OUB shares owned by OUE when UOB offered for OUB	92,957,171	<i>OUB Annual Report 2000, Pg 127.</i>
UOB's offer for each OUB share		
		<i>UOB offer document for OUB, dated 26 July 2001.</i>
Cash for each OUB share	\$ 4.02	
No of UOB share in exchange for each OUB share	0.52	
Gain from the disposal of OUB shares	\$ 566,409,000	<i>OUE Annual Report 2001, Pg 39, Note 7©.</i>
Cost of investment in OUB shares	\$ 271,052,000	<i>OUE Annual Report 2000, Pg 47, Note 15(b).</i>
Total value of OUB shares at disposal	<u>\$ 837,461,000</u>	
Cash received by OUE	<u>\$ 373,687,827</u>	
Total carrying cost of UOB shares	<u>\$ 463,773,173</u>	
No of UOB shares own by OUE	48,337,728	<i>UOB Annual Report 2002, Pg 175.</i>
Carrying cost of each UOB share	<u>\$ 9.59</u>	<i>Also mentioned in AGM held on 10th May 2002.</i>

Table 8: Computation Of Profit From The Proposed Distribution

Average closing price of UOB shares for the month of January 2005	\$ 13.84
Carrying cost of each UOB share	<u>\$ 9.59</u>
Profit from each UOB share owned by OUE	\$ 4.24
No of UOB shares proposed to be distributed	<u>35,264,074</u>
Profit from the proposed distribution	<u>\$ 149,539,617</u>

Table 9: Investment Concentration In UOB Shares At Cost

		Remarks
Carrying cost of UOB shares	\$ 463,773,173	
Cost of quoted equity shares less provision	\$ 490,636,000	<i>OUE Annual Report 2003, Pg 43.</i>
Total assets	\$ 1,459,516,000	<i>OUE Annual Report 2003, Pg 24.</i>

Concentration Analysis

<u>Carrying cost of UOB shares</u>	95%
Cost of quoted equity shares less provision	
 <u>Carrying cost of UOB shares</u>	 32%
Total assets	

This page has been intentionally left blank.

Board of Directors
Overseas Union Enterprise Limited
333 Orchard Road
6th Storey
Overseas Union Building
Singapore 238867

Dear Sirs/Madam,

TO SUPPORT RESOLUTIONS PROPOSED BY MR ONG CHIN WOO

I/We have today received notification from Mr ONG Chin Woo that he has requested for the following Ordinary Resolutions to be tabled at the upcoming Annual General Meeting:

1. **Resolution 1:** To appoint a financial advisor to evaluate options to unlock shareholders' value.
2. **Resolution 2:** To distribute 35, 264, 074 issued ordinary shares in the capital of United Overseas Bank Limited to OUE's shareholders.

I/We would like to support Mr ONG's request and look forward to the opportunity to vote on his proposal. I/We hope that Mr ONG's proposal can be given a fair hearing.

For your record, I/we currently own _____ shares of Overseas Union Enterprise Limited.

Thank You.

Yours Sincerely,

Name : _____

NRIC : _____

Date : _____

Affix
stamp
here

**Board of Directors
Overseas Union Enterprise Limited
333 Orchard Road
6th Storey
Overseas Union Building
Singapore 238867**