

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

To: All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following announcement:

1. UNAUDITED RESULTS FOR THE FIRST HALF/SECOND QUARTER ENDED 30 JUNE 2007

	Group					
	1st Half	1st Half	Incr/	2nd Qtr	2nd Qtr	Incr/
	2007	2006	(Decr)	2007	2006	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
(a) Gross premiums written	41,806	41,119	1.7	16,299	16,914	(3.6)
Net earned premiums	9,233	8,407	9.8	5,457	5,244	4.1
Less/(Add) :						
Net claims incurred	2,095	2,732	(23.3)	1,292	1,102	17.2
Net commissions	(2,593)	(3,487)	(25.6)	(570)	(497)	14.7
Management expenses :						
Staff cost	2,099	2,032	3.3	1,059	1,015	4.3
Rental expenses	327	226	44.7	164	114	43.9
Management fees	58	64	(9.4)	25	23	8.7
Depreciation	101	182	(44.5)	51	91	(44.0)
Foreign exchange loss	2	11	(81.8)	3	5	(40.0)
Other operating expenses	256	10	NM	111	66	68.2
Underwriting profit	6,888	6,637	3.8	3,322	3,325	(0.1)
Gross dividends from investments	2,293	2,529	(9.3)	1,839	2,269	(19.0)
Interest income	2,057	1,881	9.4	1,001	999	0.2
Miscellaneous income	6	7	(14.3)	3	4	(25.0)
Realised gains on investments at fair value through profit or loss	8,823	3,316	166.1	7,825	1,349	480.1
Realised gains on available-for-sale investments	141	-	NM	69	-	NM
Unrealised losses on investments at fair value through profit or loss	(1,890)	(2,230)	(15.2)	(4,312)	(4,951)	(12.9)
Less/(Add) :						
Management expenses not charged to insurance revenue account:						
Management fees	262	228	14.9	135	111	21.6
Other operating expenses	252	113	123.0	144	58	148.3
Exchange differences	(4)	60	NM	62	27	129.6
Profit before tax	17,808	11,739	51.7	9,406	2,799	236.0
Less: Tax expense	3,143	2,315	35.8	1,658	532	211.7
Net profit	14,665	9,424	55.6	7,748	2,267	241.8

Note : NM = Not Meaningful

(b) Annualised earnings per share (cents)

- basic	71.9	46.2	76.0	22.2
- diluted	49.8	46.2	52.6	22.2

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

2. UNAUDITED BALANCE SHEET

	<u>Group</u>		<u>Company</u>	
	<u>30-Jun-07</u>	<u>31-Dec-06</u>	<u>30-Jun-07</u>	<u>31-Dec-06</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
(a) Share capital - Issued & fully paid	40,770	40,770	40,770	40,770
Reserves	138,343	122,312	136,299	120,347
	179,113	163,082	177,069	161,117
Deferred tax liabilities	7,308	6,716	7,308	6,716
Gross technical balances				
Reserve for unexpired risks	38,756	30,453	37,885	29,700
Provision for outstanding claims	99,771	99,268	98,086	97,612
	138,527	129,721	135,971	127,312
Current liabilities				
Insurance creditors	18,691	9,352	18,172	9,092
Non-trade creditors & accrued liabilities	2,236	3,691	2,189	3,629
Deferred acquisition cost-reinsurers's share	5,770	4,736	5,629	4,618
Amount owing to related companies				
- non-trade	-	116	-	116
Tax payables	8,761	7,598	8,748	7,620
	35,458	25,493	34,738	25,075
Total equity and liabilities	360,406	325,012	355,086	320,220
Fixed assets	464	529	464	529
Investment in subsidiary	-	-	4,940	4,940
Available-for-sale investments	69,323	51,066	69,323	51,066
Non-current debtors	25	35	25	35
Statutory deposit	500	500	500	500
Unsecured term loan	29	29	29	29
Reinsurers' share of technical balances				
Reserve for unexpired risks	23,954	17,288	23,285	16,718
Provision for outstanding claims	57,680	56,540	56,260	55,159
	81,634	73,828	79,545	71,877
Current assets				
Insurance debtors	11,986	8,389	11,601	8,059
Non-trade debtors and accrued interest receivable	1,323	1,254	1,308	1,249
Amount owing by related companies	-	30	13	106
Deferred acquisition cost - gross	4,052	3,541	3,863	3,378
Investments at fair value through profit or loss	110,247	112,229	110,247	112,229
Cash and cash equivalents	80,823	73,582	73,228	66,223
	208,431	199,025	200,260	191,244
Total assets	360,406	325,012	355,086	320,220
(b) Net asset value per share (S\$)	4.39	4.00	4.34	3.95

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

3. UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	Available- for-sale <u>investment reserve</u> \$'000	Foreign currency translation <u>reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2007	40,770	17,880	26,123	(227)	78,536	163,082
Net valuation gain taken to equity	-	-	6,419	-	-	6,419
Foreign currency translation differences	-	-	-	(38)	-	(38)
Net gains/(losses) not recognised in profit and loss accounts	-	-	6,419	(38)	-	6,381
Net profit	-	-	-	-	14,665	14,665
Total recognised gains/(losses) for the six months ended 30 June 2007	-	-	6,419	(38)	14,665	21,046
Dividend for Year 2006	-	-	-	-	(5,015)	(5,015)
Balance at 30 June 2007	40,770	17,880	32,542	(265)	88,186	179,113
Balance at 1 January 2006	40,770	16,880	17,871	358	63,725	139,604
Net valuation gain taken to equity	-	-	1,410	-	-	1,410
Foreign currency translation differences	-	-	-	(344)	-	(344)
Net gains/(losses) not recognised in profit and loss accounts	-	-	1,410	(344)	-	1,066
Net profit	-	-	-	-	9,424	9,424
Total recognised gains/(losses) for the six months ended 30 June 2006	-	-	1,410	(344)	9,424	10,490
Dividend for Year 2005	-	-	-	-	(4,892)	(4,892)
Balance at 30 June 2006	40,770	16,880	19,281	14	68,257	145,202

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

3. UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY (Cont'd)

	Share <u>capital</u> \$'000	General <u>reserve</u> \$'000	Available- for-sale <u>investment</u> <u>reserve</u> \$'000	Foreign currency translation <u>reserve</u> \$'000	Retained <u>profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2007	40,770	17,880	28,523	(330)	85,453	172,296
Net valuation gain taken to equity	-	-	4,019	-	-	4,019
Foreign currency translation differences	-	-	-	65	-	65
Net gains not recognised in profit and loss accounts	-	-	4,019	65	-	4,084
Net profit	-	-	-	-	7,748	7,748
Total recognised gains for the quarter ended 30 June 2007	-	-	4,019	65	7,748	11,832
Dividend for Year 2006	-	-	-	-	(5,015)	(5,015)
Balance at 30 June 2007	40,770	17,880	32,542	(265)	88,186	179,113
Balance at 1 April 2006	40,770	16,880	21,242	157	70,882	149,931
Net valuation loss taken to equity	-	-	(1,961)	-	-	(1,961)
Foreign currency translation differences	-	-	-	(143)	-	(143)
Net losses not recognised in profit and loss accounts	-	-	(1,961)	(143)	-	(2,104)
Net profit	-	-	-	-	2,267	2,267
Total recognised gains/(losses) for the quarter ended 30 June 2006	-	-	(1,961)	(143)	2,267	163
Dividend for Year 2005	-	-	-	-	(4,892)	(4,892)
Balance at 30 June 2006	40,770	16,880	19,281	14	68,257	145,202

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

4. UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	Available- for-sale <u>investment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2007	40,770	17,880	26,123	76,344	161,117
Net valuation gain taken to equity	-	-	6,419	-	6,419
Net gains not recognised in profit and loss accounts	-	-	6,419	-	6,419
Net profit	-	-	-	14,548	14,548
Total recognised gains for six months ended 30 June 2007	-	-	6,419	14,548	20,967
Dividend for Year 2006	-	-	-	(5,015)	(5,015)
Balance at 30 June 2007	40,770	17,880	32,542	85,877	177,069
Balance at 1 January 2006	40,770	16,880	17,871	61,791	137,312
Net valuation gain taken to equity	-	-	1,410	-	1,410
Net gains not recognised in profit and loss accounts	-	-	1,410	-	1,410
Net profit	-	-	-	9,362	9,362
Total recognised gains for six months ended 30 June 2006	-	-	1,410	9,362	10,772
Dividend for Year 2005	-	-	-	(4,892)	(4,892)
Balance at 30 June 2006	40,770	16,880	19,281	66,261	143,192

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

4. UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY (Cont'd)

	<u>Share capital</u> \$'000	<u>General reserve</u> \$'000	Available- for-sale <u>investment reserve</u> \$'000	<u>Retained profits</u> \$'000	<u>Total</u> \$'000
Balance at 1 April 2007	40,770	17,880	28,523	83,206	170,379
Net valuation gain taken to equity	-	-	4,019	-	4,019
Net gains not recognised in profit and loss accounts	-	-	4,019	-	4,019
Net profit	-	-	-	7,686	7,686
Total recognised gains for the quarter ended 30 June 2007	-	-	4,019	7,686	11,705
Dividend for Year 2006	-	-	-	(5,015)	(5,015)
Balance at 30 June 2007	40,770	17,880	32,542	85,877	177,069
Balance at 1 April 2006	40,770	16,880	21,242	68,883	147,775
Net valuation loss taken to equity	-	-	(1,961)	-	(1,961)
Net losses not recognised in profit and loss accounts	-	-	(1,961)	-	(1,961)
Net profit	-	-	-	2,270	2,270
Total recognised gains/(losses) for the quarter ended 30 June 2006	-	-	(1,961)	2,270	309
Dividend for Year 2005	-	-	-	(4,892)	(4,892)
Balance at 30 June 2006	40,770	16,880	19,281	66,261	143,192

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

5. UNAUDITED CASH FLOW STATEMENT

	Group			
	1st Half	1st Half	2nd Qtr	2nd Qtr
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Profit before tax	17,808	11,739	9,406	2,799
Adjustments for :				
Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost)	(1)	(9)	2	(4)
Foreign currency difference on provision for outstanding claims	(2)	(6)	2	(2)
Movement in net reserves for unexpired risks (net of movement in net deferred acquisition cost)	2,161	2,155	15	452
Movement in net outstanding claims	(635)	(46)	(158)	(318)
Depreciation	101	182	51	91
Realised gains on available-for-sale investments	(141)	-	(69)	-
Realised gains on investments at fair value through profit or loss	(8,823)	(3,316)	(7,825)	(1,349)
Unrealised losses on investments at fair value through profit or loss	1,890	2,230	4,312	4,951
Gross dividends from investments	(2,293)	(2,529)	(1,839)	(2,269)
Interest income	(2,057)	(1,881)	(1,001)	(999)
Exchange differences	63	404	(5)	168
Operating cash flow before working capital change	8,071	8,923	2,891	3,520
Changes in working capital :				
Trade and other receivables	(3,656)	(5,864)	8,625	8,008
Trade and other payables	7,884	11,406	(2,216)	(1,881)
Amount owing by related companies	30	52	-	-
Amount owing to related companies	(116)	(113)	-	(113)
Cash generated from operations	12,213	14,404	9,300	9,534
Tax paid	(1,980)	(2,621)	(1,976)	(2,621)
Net Cash flow from operating activities	10,233	11,783	7,324	6,913
Cash flows from investing activities				
Proceeds from sale of investments at fair value through profit or loss	32,880	13,600	24,996	6,163
Proceeds from sale of available-for-sale investments	716	-	193	-
Purchase of investments at fair value through profit or loss	(23,997)	(7,019)	(5,744)	(4,605)
Purchase of available-for-sale investments	(11,812)	(1,308)	(11,489)	(1,308)
Purchase of fixed assets	(36)	(15)	(36)	(13)
Gross dividends from investments	2,293	2,529	1,839	2,269
Interest income	2,057	1,881	1,001	999
Net Cash inflow from investing activities	2,101	9,668	10,760	3,505

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

5. UNAUDITED CASH FLOW STATEMENT (Cont'd)

	Group			
	1st Half	1st Half	2nd Qtr	2nd Qtr
	2007	<u>2006</u>	2007	<u>2006</u>
	\$'000	\$'000	\$'000	\$'000
Cash flow from financing activity				
Dividend paid	(5,015)	(4,892)	(5,015)	(4,892)
Cash outflow from financing activity	(5,015)	(4,892)	(5,015)	(4,892)
Translation difference on foreign subsidiary company	(38)	(344)	65	(143)
Net increase in cash and cash equivalents	7,281	16,215	13,134	5,383
Cash and cash equivalents at beginning of period	73,582	73,303	67,620	83,923
Effects of exchange rate changes on cash and cash equivalents	(40)	(362)	69	(150)
Cash and cash equivalents at end of period	80,823	89,156	80,823	89,156

6. SEGMENT INFORMATION

The Group is principally engaged in the business of underwriting general insurance business. No segment information by geographical location has been presented as the Group's overseas operations in Hong Kong are relatively insignificant.

7. REVIEW OF PERFORMANCE

Highlights and Performance Indicators for the Group

(\$'000)	1st Half 2007	1st Half 2006	1H07 / 1H06 %	2nd Quarter 2007	2nd Quarter 2006	2Q07 / 2Q06 %
Gross premiums written	41,806	41,119	+1.7	16,299	16,914	-3.6
Underwriting profit	6,888	6,637	+3.8	3,322	3,325	-0.1
Non-underwriting income/(loss)	10,920	5,102	+114.0	6,084	(526)	NM
Profit before tax	17,808	11,739	+51.7	9,406	2,799	236.0

Note : NM = Not Meaningful

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

7. REVIEW OF PERFORMANCE (Cont'd)

1st Half 2007 ("1H07") versus 1st Half 2006 ("1H06")

For the 1H07, the Group's gross premium grew by 1.7% to \$41.8 million. Underwriting profit rose by 3.8% to \$6.9 million due mainly to lower net incurred claims and higher net earned premium gained from adopting a more flexible risk retention policy and pursuing a stringent underwriting policy. Non-underwriting income increased by 114.0% to \$10.9 million due to a buoyant stock market. Consequently, overall profit before tax grew by 51.7% to \$17.8 million.

2nd Quarter 2007 ("2Q07") versus 2nd Quarter 2006 ("2Q06")

The Group's gross premiums written decreased 3.6% to \$16.3 million in 2Q07 from \$16.9 million in 2Q06. The decrease was due to premium rate erosion, partly offset by increasing premium streams from leveraging on the parent bank's activities and regional markets. Underwriting profit remained roughly unchanged at \$3.3 million. Non-underwriting income increased to \$6.1 million from a loss of \$0.5 million in 2Q06 that was caused by weak market sentiments then. Profit before tax grew 236.0% to \$9.4 million mainly due to higher non-underwriting income.

8. PROSPECTS FOR THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS

Intense competition continues to affect growth in the domestic market as severe rate erosion led to renewable business being secured at lower premiums. Premium growth in the domestic general insurance market will continue to be fuelled by the buoyant construction sector but the erosion in premium rates, has reduced the profit margins of such policies. Higher growth will continue to be derived from offshore as there are more opportunities for higher premiums from certain reinsurance partners and from leveraging on the parent bank's regional activities.

The Company expects to be on track to achieve profits from both underwriting and investment income.

9. ACCOUNTING POLICY

The financial statements, expressed in Singapore dollars are prepared in accordance with Singapore Financial Reporting Standards (FRS). The accounting policies and computation methods adopted in the financial statements for the first half year ended 30 June 2007 are the same as those adopted in the preceding year.

10. BONUS DIVIDEND AND RIGHTS ISSUE

Following the Company's announcement of 7 May 2007 in respect of the renounceable non-underwritten rights issue of up to 20,385,000 new ordinary shares ("Rights Share"), at an issue price of \$2.50 each on the basis of one Rights Share for every two existing ordinary shares of the Company, with the availability of an option to elect to utilise the net bonus dividend of \$0.697 per share to subscribe for the Rights Shares, the Company has allotted and issued 20,385,000 new Rights Shares pursuant to the Rights Issue on 20 July 2007. The Rights Shares were listed and quoted on the Official List of the SGX-ST on 23 July 2007.

UNITED OVERSEAS INSURANCE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number : 197100152R

11. INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of 5 cents per share less 18% Singapore income tax (2006 interim dividend: 5 cents per share less 20% Singapore income tax) in respect of the financial year ending 31 December 2007. The total net interim dividend would amount to \$2.5 million. The dividend will be paid on 3 September 2007.

12. 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 2007 to 24 August 2007, both dates inclusive for the preparation of dividend warrants. Registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd at 3 Church Street, #08-01, Samsung Hub, Singapore 049483, up to 5.00 pm on 22 August 2007 will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the interim dividend will be paid by the Company to CDP who will distribute the dividend to holders of the securities accounts.

13. CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for the first half/second quarter ended 30 June 2007 to be false or misleading.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 6th August 2007