

Letter to Shareholders

UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

Directors:

Wong Kan Seng (*Chairman and Independent Director*)
Wee Ee Cheong (*Deputy Chairman, Chief Executive Officer and Executive Director*)
James Koh Cher Siang (*Independent Director*)
Ong Yew Huat (*Independent Director*)
Lim Hwee Hua (*Independent Director*)
Alexander Charles Hungate (*Independent Director*)
Michael Lien Jown Leam (*Non-Executive, Non-Independent Director*)
Alvin Yeo Khirn Hai (*Independent Director*)
Wee Ee Lim (*Non-Executive, Non-Independent Director*)
Steven Phan Swee Kim (*Independent Director*)
Chia Tai Tee (*Independent Director*)

Registered Office:

80 Raffles Place
UOB Plaza
Singapore 048624

31 March 2021

To: The Shareholders of United Overseas Bank Limited

Dear Sir/Madam,

1. Introduction

1.1 **Notice of 2021 AGM.** We refer to:

- (a) the Notice of Annual General Meeting (**Notice**) of United Overseas Bank Limited (**Company**) dated 31 March 2021 convening the 79th Annual General Meeting of the Company to be held on 30 April 2021 (**2021 AGM**); and
- (b) Ordinary Resolution No. 10 relating to the proposed renewal of the Share Purchase Mandate (as defined below, as proposed in the Notice).

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company (**Shareholders**) with information relating to Ordinary Resolution No. 10 proposed in the Notice.

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (**SGX-ST**) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. The Proposed Renewal of the Share Purchase Mandate

2.1 **Background.** The mandate (**Share Purchase Mandate**) enabling the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (**Shares**) was first approved by Shareholders on 29 April 2004 and was last renewed at the 78th Annual General Meeting held on 5 June 2020 (**2020 Share Purchase Mandate**).

The 2020 Share Purchase Mandate will expire on the date of the forthcoming 2021 AGM to be held on 30 April 2021. The approval of Shareholders is being sought for the renewal of the Share Purchase Mandate at the 2021 AGM.

2.2 **Rationale for the proposed renewal of the Share Purchase Mandate.** The proposed renewal of the Share Purchase Mandate would give the Company the flexibility to purchase or acquire its issued Shares as and when appropriate to:

- (a) manage the capital structure of the Company, with a view to achieving an efficient capital mix;
- (b) manage surplus capital, such that surplus capital and funds which are in excess of the Company's requirements may be returned to Shareholders in an expedient and cost-efficient manner; and
- (c) improve return on equity, which is one of the key objectives of the Company.

The issued Shares purchased or acquired pursuant to the Share Purchase Mandate may be held as treasury shares which may be used for the purposes of any staff incentive scheme as may be implemented by the Company from time to time.

The Share Purchase Mandate will be exercised by the Directors only in circumstances where it is considered to be in the best interests of the Company. No purchase or acquisition of Shares will be made in circumstances which would or is likely to have a material adverse effect on the financial position of the Company and its subsidiaries (**Group**).

2.3 **Authority and limits on the Share Purchase Mandate.** The authority and limits on the Share Purchase Mandate, if renewed at the 2021 AGM, are summarised below:

(a) **Maximum number of Shares**

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than five per cent of the total number of issued Shares as at the date of the 2021 AGM at which this renewal of the Share Purchase Mandate is approved (**Approval Date**). Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST (**Listing Manual**)) will be disregarded for the purposes of computing the five per cent limit.

As at 2 March 2021 (**Latest Practicable Date**), the Company had 1,672,814,781 Shares, excluding treasury shares, and no subsidiary holdings.

While the Share Purchase Mandate would authorise the purchase or acquisition of Shares up to the five per cent limit, Shareholders should note that the Company may not necessarily purchase or acquire or be able to purchase or acquire the full five per cent of its issued Shares (excluding treasury shares and subsidiary holdings) as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company.

(b) **Duration of authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting,

whichever is the earliest.

(c) **Manner of purchase or acquisition of Shares**

Purchases or acquisitions of Shares may be made by:

- (i) on-market purchases (**Market Purchases**) transacted on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (**Off-Market Purchases**) effected otherwise than on a stock exchange, in accordance with an equal access scheme or schemes.

The purchases or acquisitions in connection with or in relation to any equal access scheme or schemes may be subject to such terms and conditions as the Directors may consider fit in the interests of the Company provided that such terms and conditions are not inconsistent with the relevant provisions of the Share Purchase Mandate, the Listing Manual and the Companies Act, Chapter 50 of Singapore (**Companies Act**).

Off-Market Purchases must satisfy all the following conditions:

- (I) offers for the purchase or the acquisition of Shares shall be made to every person who holds Shares to purchase or to acquire the same percentage of their Shares;
- (II) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (III) the terms of the offers shall be the same, except that:
 - a. differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and
 - b. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares,shall be disregarded.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances; and
- (III) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

(d) **Maximum purchase price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares, as determined by the Directors, must not exceed 105 per cent of the Average Closing Price of the Shares whether they are a Market Purchase or an Off-Market Purchase.

For the above purposes:

Average closing price means the average of the last dealt prices of the Shares over the five consecutive market days on which the Shares were transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

date of the making of the offer means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share, and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(e) **No purchases during certain periods**

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the share buy-back will not be carried out during the period commencing two weeks before the announcement of the financial statements for each of the first three quarters of the Company's financial year (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), and the period of one month before the announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements).

2.4 **Source of funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits.

The Company intends to use its internal sources of funds to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of the Group would be materially adversely affected.

2.5 **Reporting requirements.** Pursuant to Rule 886 of the Listing Manual, the Company will notify the SGX-ST of any purchase or acquisition of Shares under the proposed Share Purchase Mandate as follows:

- (a) in the case of a Market Purchase, by 9:00am on the market day following the day on which it purchased the Shares; and
- (b) in the case of an Off-Market Purchase, by 9:00am on the second market day after the close of acceptances of the offer.

The announcement (in the form prescribed under the Listing Manual) shall include, *inter alia*, details of the maximum number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties, brokerage and clearing charges, and other related expenses) paid or payable for the Shares, the cumulative number of Shares purchased to date, the number of issued Shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

2.6 **Status of purchased shares.** Under the Companies Act, Shares purchased or acquired by the Company shall be deemed cancelled immediately upon purchase or acquisition (and all rights and privileges attached to the Shares will expire on cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, in the event that the purchased Shares are cancelled, the total number of issued Shares will be reduced by the number of Shares so cancelled.

Depending on the needs of the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares.

2.7 **Treasury shares.** The Shares purchased or acquired may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) **Maximum holdings**

The number of Shares held as treasury shares cannot at any time exceed 10 per cent of the total number of Shares. For this purpose, any Shares that are held by subsidiaries in the circumstances referred to in Sections 21(4B) and 21(6C) of the Companies Act shall be included in computing the 10 per cent limit.

(b) **Voting and other rights**

The Company cannot exercise any right in respect of treasury shares, including any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, treasury shares are not entitled to dividends or other distribution of the Company's assets but fully-paid bonus shares may be allotted in respect of treasury shares and such bonus shares shall be treated for the purposes of the Companies Act as if they were purchased by the Company at the time they were allotted. Accordingly, such bonus shares may be held as treasury shares or dealt with in the manner described in paragraphs 2.7(c)(i) to 2.7(c)(v) below. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) **Disposal and cancellation**

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (**Take-over Code**):

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement containing, *inter alia*, the following details must be made in respect of any sale, transfer, cancellation and/or use of the treasury shares (each an **event**):

- (I) date and purpose of event;
- (II) number and value of treasury shares involved in the event;
- (III) number of treasury shares involved before and after the event; and
- (IV) percentage of the number of treasury shares against the total number of shares (of the same class as the treasury shares) which are listed on SGX-ST before and after the event.

2.8 **Financial effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time, and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group for the financial year ended 31 December 2020 are based on the assumptions set out below.

(a) **Purchase or acquisition out of capital or profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of dividends by the Company.

(b) **Number of Shares acquired or purchased**

The maximum number of Shares which can be purchased by the Company will depend on the number of Shares, excluding treasury shares and subsidiary holdings, of the Company as at the Approval Date.

Purely for illustrative purposes, on the basis of 1,672,814,781 Shares in issue, excluding treasury shares and subsidiary holdings, as at the Latest Practicable Date, and assuming that on or prior to the 2021 AGM (i) no further Share is issued, (ii) no further Share is purchased or acquired by the Company, or held as treasury share and (iii) no Share is held as subsidiary holding, not more than 83,640,739 Shares (representing five per cent of the Shares in issue, excluding treasury shares and subsidiary holdings, as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

(c) **Maximum price paid for Shares acquired or purchased**

Assuming that the Company purchases or acquires the maximum number of Shares, or 83,640,739 Shares, at the Maximum Price, the amount of funds required is approximately \$2,142,039,326 based on \$25.61 for one Share (being the price equivalent to five per cent above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date) whether it is a Market Purchase or an Off-Market Purchase.

(d) **Illustrative financial effects**

For illustrative purposes only, on the basis of the assumptions set out in paragraphs 2.8(b) and 2.8(c), as well as the following:

- (i) the Share Purchase Mandate had been effective on 1 January 2020 and the Company had on 1 January 2020 purchased 83,640,739 Shares (representing five per cent of the total Shares in issue as at the Latest Practicable Date, excluding the Shares held in treasury and subsidiary holdings); and
- (ii) the purchase consideration was funded by the Company from excess funds deployed in the inter-bank market with an effective pre-tax yield of 0.28 per cent, being the inter-bank one-month offer rate as at 2 March 2021, and at the tax rate of 17 per cent,

the financial effects on the audited financial accounts of the Group for the financial year ended 31 December 2020 are set out below:

| | Before Share purchases | After Share purchases ⁽¹⁾ |
|---|---------------------------|---|
| Total Shareholders' equity (\$'millions) | 40,901 | 38,753 |
| Number of issued and paid-up Shares ('000) | 1,672,815 | 1,589,174 |
| Weighted average number of issued and paid-up Shares ('000) | 1,669,799 | 1,586,158 |
| Net profit attributable to Shareholders (\$'millions) | 2,915 | 2,910 |
| Financial Ratios | | |
| Net Asset Value per Share (\$) ⁽²⁾ | 23.03 | 22.89 |
| Earnings per Share – Basic (\$) ⁽³⁾ | 1.69 | 1.78 |
| Return on Equity (%) ⁽³⁾ | 7.4 | 7.9 |
| Capital Adequacy Ratio (%) | | |
| – Common Equity Tier 1 | 14.7 | 13.8 |
| – Tier 1 | 15.8 | 14.9 |
| – Total | 18.4 | 17.4 |

Notes:

- (1) The above financial effects remain the same irrespective of whether:
 - (a) the purchases of Shares are effected out of capital or profits; and
 - (b) the Shares repurchased are held in treasury or cancelled.
- (2) Capital securities are excluded from the computation.
- (3) Calculated based on profit attributable to equity holders of the Company net of capital securities distributions.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to five per cent of the issued Shares (excluding the Shares held in treasury and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire any or all of the five per cent of the issued Shares (excluding the Shares held in treasury and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as treasury shares.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

- 2.9 **Details of Shares purchased in the last 12 months.** The Company had repurchased 993,300 Shares at a total consideration of \$19,935,704 in the 12 months preceding the Latest Practicable Date. The highest price paid and lowest price paid were \$23.30 and \$17.30 respectively.
- 2.10 **Listing status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10 per cent of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed be held by public shareholders. The “public”, as defined in the Listing Manual, refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons. As at the Latest Practicable Date, 1,266,988,133 Shares, or approximately 76 per cent of the total Shares (excluding the Shares held in treasury and subsidiary holdings), were held by public shareholders. Assuming the Company had purchased or acquired Shares from the public up to the full five per cent limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date and these Shares had been held as treasury shares, the number of issued Shares held by public shareholders would be reduced to 1,183,347,394 Shares, or approximately 74 per cent of the total Shares (excluding the Shares held in treasury and subsidiary holdings).

Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full five per cent limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or affect orderly trading.

- 2.11 **Shareholding limits.** Under the Banking Act, Chapter 19 of Singapore (**Banking Act**):
- (a) no person shall enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of five per cent or more of the total votes attached to all voting shares in a designated financial institution, without first obtaining the approval of the Minister designated for the purposes of the Banking Act (**Minister**) (**5% Limit**); and
 - (b) no person shall be a substantial shareholder¹ a 12 per cent controller (as defined below) or a 20 per cent controller (as defined below) of a designated financial institution without first obtaining the approval of the Minister.

The Company will monitor purchases of Shares to ensure that the above limits will not be exceeded.

For the purposes of the Banking Act:

designated financial institution means (i) a bank incorporated in Singapore; or (ii) a financial holding company;

total number of issued shares, in relation to a company, does not include treasury shares;

12 per cent controller means a person, not being a 20 per cent controller, who alone or together with his associates, (i) holds not less than 12 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 12 per cent in the designated financial institution; and

20 per cent controller means a person who, alone or together with his associates, (i) holds not less than 20 per cent of the total number of issued shares in the designated financial institution; or (ii) is in a position to control voting power of not less than 20 per cent in the designated financial institution.

¹ “substantial shareholder” (as defined in the Companies Act) of a designated financial institution means a person who has a substantial shareholding in the designated financial institution. A person has a substantial shareholding in a designated financial institution if (i) he has an interest or interests in one or more voting shares in the designated financial institution; and (ii) the total votes attached to that share, or those shares, is not less than five per cent of the total votes attached to all the voting shares in the designated financial institution.

For the purposes of the Banking Act, the percentage of the total number of Shares held by a Shareholder (whose Shares were not the subject of a share purchase or acquisition by the Company) and the percentage voting rights of a Shareholder (whose Shares were not the subject of a share purchase or acquisition by the Company) immediately following any purchase or acquisition of Shares will increase should the Company hold in treasury or cancel the Shares purchased or acquired by the Company.

The Company wishes to draw the attention of Shareholders to the following consequences of a purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, if the proposed renewal of the Share Purchase Mandate is approved by Shareholders:

A PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY MAY INADVERTENTLY CAUSE THE INTEREST IN THE SHARES OF ANY PERSON TO REACH OR EXCEED THE 5 PER CENT LIMIT OR CAUSE ANY PERSON TO BECOME A 12 PER CENT CONTROLLER OR A 20 PER CENT CONTROLLER.

Shareholders whose shareholdings are close to the limits set out in the Banking Act are advised to ensure that they are in compliance with the requirements of the Banking Act and take such action as may be necessary, including seeking the prior approval of the Minister for Finance to continue to hold, on such terms as may be imposed by the Monetary Authority of Singapore, the number of Shares which they may hold in excess of any of such limits, as a consequence of a purchase or acquisition of Shares by the Company. Shareholders who are in doubt as to the action that they should take should consult their professional advisers at the earliest opportunity.

2.12 **Take-over implications.** Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) **Obligation to make a take-over offer**

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, a Shareholder or group of Shareholders acting in concert acquiring or consolidating effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

(b) **Persons acting in concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

In addition, the Take-over Code presumes certain persons to be acting in concert with each other unless the contrary is established. For example, the following individuals and companies will be presumed to be acting in concert with each other:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20 per cent but not more than 50 per cent of the voting rights of the first-mentioned company.

(c) **Effect of Rule 14 and Appendix 2**

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent or more, or in the event that such Directors and their concert parties hold between 30 per cent and 50 per cent of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent or more, or, if such Shareholder holds (and including) 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the information in the Register of Shareholders as at the Latest Practicable Date, no Shareholder will be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate of the maximum limit of five per cent of its Shares.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3. **Substantial Shareholders' Interests**

The interests of the Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date, as recorded in the Register of Substantial Shareholders, were as follows:

| Substantial shareholder | Shareholdings registered in the name of substantial shareholders | Other shareholdings in which substantial shareholders were deemed to have an interest | Total Interest | |
|-------------------------------------|--|---|----------------|-------|
| | No. of shares | No. of shares | No. of shares | %* |
| Lien Ying Chow Private Limited | – | 86,686,453 ⁽¹⁾ | 86,686,453 | 5.18 |
| Wah Hin and Company Private Limited | 86,676,076 | 10,377 | 86,686,453 | 5.18 |
| Wee Cho Yaw | 21,599,798 | 287,113,587 ⁽²⁾ | 308,713,385 | 18.45 |
| Wee Ee Cheong | 3,081,455 | 173,663,415 ⁽²⁾ | 176,744,870 | 10.57 |
| Wee Ee Chao | 160,231 | 137,847,174 ⁽²⁾ | 138,007,405 | 8.25 |
| Wee Ee Lim | 1,831,903 | 173,266,519 ⁽²⁾ | 175,098,422 | 10.47 |
| Wee Investments (Pte) Limited | 133,278,205 | 194,119 | 133,472,324 | 7.98 |

* Percentage was calculated based on 1,672,814,781 Shares, being the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable date.

Notes:

(1) Lien Ying Chow Private Limited was deemed to have an interest in the 86,686,453 Shares in which Wah Hin and Company Private Limited has an interest.

(2) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim were each deemed to have an interest in Wee Investments (Pte) Limited's total direct and deemed interests of 133,472,324 Shares.

4. Directors' Recommendations

The Directors are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 10, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2021 AGM.

5. Inspection of Documents

The Annual Report of the Company for the financial year ended 31 December 2020 and this Letter are available for inspection on the Company's website at www.UOBgroup.com/AR2020 and www.UOBgroup.com/investor-relations/aggm-and-egm respectively from the date hereof up to and including the date of the 2021 AGM.

6. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Share Purchase Mandate and the Company and its subsidiaries which are relevant to the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

Yours faithfully
for and on behalf of the Board of Directors of
UNITED OVERSEAS BANK LIMITED

Wong Kan Seng
Chairman