
NEWS RELEASE

Jointly Issued By Hermes Investment Management Limited And United Overseas Bank Group

First Closing Of Asian Private Equity Fund By Joint Venture Of United Overseas Bank Group And Hermes Private Equity Management

Singapore, 8 February 2001 – The **UOB Hermes Asia Technology Fund** held its first closing on 5 February 2001.

It is the second private equity vehicle launched jointly by United Overseas Bank Group and Hermes. Last year, Hermes Private Equity Management Limited formed a joint venture in private equity with UOB Global Capital, an asset management affiliate of United Overseas Bank Limited, Singapore. The initial vehicle was a fund-of-funds investing in European Private Equity, which held its first closing in October 2000.

The target size of the Asian Fund is US\$150 million. The Fund's first closing was restricted to the sponsors, who have jointly committed US\$45 million to the Fund. The sponsors are the British Telecom (BT) Pension Scheme Trustees (owners of Hermes) and United Overseas Bank Limited (UOB).

The Fund will invest primarily in unquoted companies involved in the technology industry and whose business is focused on, or is involved with, the markets in the Asia-Pacific region. These companies will primarily be in Asia [including South-East Asia, the People's Republic of China (PRC) including Hong Kong S.A.R., Taiwan, Korea and Japan] and the USA. The goal is to identify major structural trends in the technology-related sectors and focus on companies that have the potential to become leading beneficiaries of these trends.

UOB and Hermes believe that Asia's advantages in the technology sector include its fast-growing consumer market, its highly-skilled and low-cost workforce, and its entrepreneurial

culture with business and cultural links to the US technology sector. A 'technology triangle' has developed linking South-East Asia, Greater China and Silicon Valley, which provides a route for generation and funding of ideas, including implementation, manufacturing and distribution.

The Fund's Advisor is UOB Venture Management Private Limited (UOBVM), the wholly-owned subsidiary of UOB that has been specialising in direct equity investment since its founding in 1992. UOBVM, based in Singapore and with a subsidiary in Silicon Valley, manages three existing Funds. UOBVM has an experienced team of 13 professionals, whose expertise spans a variety of disciplines including electrical and electronic engineering, industrial administration, computer science, materials science and information systems.

David Goss, Co-Managing Director of UOB Global Capital, said, "After successfully launching the Hermes UOB European Private Equity Fund, we are delighted to expand our joint venture activities with Hermes." Added Michael Landau, Co-Managing Director, "We believe there are tremendous money-making opportunities in combining the growth potential of technology with the dynamism of the Asian markets and the UOB Group's experience and relationships throughout the region."

Robert Padgett, Chief Executive of Hermes Private Equity Management Limited, said, "We are delighted to add a second Fund to our joint venture with UOB Global Capital. The investment in the Asia Technology Fund is part of the private equity programme for the BT Pension Scheme, which is increasing its commitment to private equity to 3% of total equities."

Tony Watson, Chief Investment Officer of Hermes, added, "We are pleased to be able to use the expertise of UOB Venture Management to gain exposure to technology in Asia."