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OCBC BANK ISSUES TAKEOVER OFFER FOR KEPPEL CAPITAL HOLDINGS

Singapore, 3 July 2001 - Further to our Offer Announcement of 12 June 2001, Oversea-Chinese Banking Corporation Limited ("OCBC Bank") today issues its takeover offer document to all shareholders and warrant holders of Keppel Capital Holdings ("KCH"). The offer document contains OCBC Bank's voluntary conditional cash offers for all the shares and listed warrants of KCH. KCH is the listed holding company that owns Singapore's Keppel TatLee Bank and related financial services businesses.

UBS Warburg, a business group of UBS AG, is acting as sole financial adviser to OCBC Bank for the general offer.

OCBC Bank is offering S\$3.38 in cash for each KCH share and S\$1.01 for each KCH listed warrant. The all-cash offers value KCH at approximately S\$4.8 billion.

The Offer Document containing the voluntary conditional cash offers will be despatched to all KCH shareholders and listed warrant holders today. Within the next two weeks, KCH shareholders and listed warrant holders can expect to receive a circular from KCH containing the recommendation of KCH's independent directors on the offers. The closing date of the offers is 3:30pm (Singapore time) on 25 July 2001.

The offers for KCH shares and listed warrants are subject to several conditions, including OCBC Bank acquiring more than 50% of KCH. Payment to shareholders and listed warrant holders who accept the offers will be made within 21 days of the offers becoming or being declared unconditional in all respects or 21 days of the receipt of valid acceptances of the offers, whichever is the later.

The acquisition of KCH will represent the next step forward in OCBC Bank's mission to be a world-class financial institution in Asia Pacific. The combination of the businesses will strengthen OCBC Bank's market position in Singapore, further enhancing its ability to pursue expansion in its core markets of Singapore, Malaysia and Greater China.

"The combination of OCBC Bank and KCH will create substantial opportunities for revenue enhancement and cost savings by merging the operations of the two banks," explained OCBC Bank's Vice-Chairman and Chief Executive Officer, Mr Alex Au.

"Opportunities for value creation include the cross-selling of products across the combined customer base; an enhanced skill set within the combined organisation; and the exchange of best practices. In addition, there will be opportunities for the rationalisation of back office operations, technology and processing activities (which will have little impact on customer-facing activities), and the reconfiguration of branch networks for superior customer service."

"We are confident that KCH shareholders and listed warrant holders will recognise the benefits of the offers. We look forward to working with the management and employees of KCH to effect a seamless integration and building a combined institution that enhances the customer experience and choice."

About OCBC Bank

OCBC Bank is a Singapore-based financial services group offering a broad range of financial services, including consumer, corporate and international banking, investment management, global treasury, stockbroking and eFinancial services. With total assets of S\$60 billion, OCBC Bank ranks as the second largest local bank in Singapore in terms of market capitalisation.

Established in 1932, OCBC Bank currently employs 6,400 staff globally and operates 89 branches and representative offices in 13 countries worldwide, with one of the most extensive networks among regional banks. For the financial year ended 31 December 2000, OCBC Bank achieved a profit attributable to shareholders of S\$840 million, representing a 16.4% increase over the previous year.

OCBC Bank's mission is to be a world-class financial institution in the Asia Pacific region. A leading eCommerce financial player, OCBC Bank is being transformed into a 'click-and-mortar' bank while its wholly-owned subsidiary Bank of Singapore Limited (BOS) is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. By leveraging on its rich heritage, innovative spirit and forward-looking management, OCBC Bank is committed to helping its customers, shareholders and staff grow from strength to strength.

The Directors of OCBC Bank (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources (including, without limitation, in relation to the KCH Group), the sole responsibility of the Directors of OCBC Bank has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.