

CIRCULAR DATED 12 JUNE 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of The Straits Trading Company Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the enclosed proxy form immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



A MEMBER OF THE TECITY GROUP

THE STRAITS TRADING COMPANY LIMITED

(Company Registration No.: 188700008D)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO:

The Acceptance, being the disposal by the Company and its subsidiaries of (i) an aggregate of 112,734,618 issued ordinary stock units in the capital of WBL Corporation Limited and (ii) an aggregate principal amount of S\$749,539 outstanding convertible bonds due 10 June 2014 issued by WBL Corporation Limited by way of acceptances of the mandatory conditional cash offers made for and on behalf of UE Centennial Venture Pte. Ltd.

Financial Adviser to The Straits Trading Company Limited



Standard Chartered Bank

IMPORTANT DATES AND TIMES

- | | | |
|--|---|--|
| Last Date and Time for Lodgement of Proxy Form | : | 26 June 2013 at 11.30 a.m. |
| Date and Time of Extraordinary General Meeting | : | 28 June 2013 at 11.30 a.m. or such time following the conclusion of the extraordinary general meeting to be held on the same day at 10.30 a.m. |
| Place of Extraordinary General Meeting | : | Straits Ballrooms 2 and 3, Level 2
Rendezvous Grand Hotel Singapore
9 Bras Basah Road
Singapore 189559 |

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

“Aberdeen”	:	Aberdeen Asset Management Asia Limited, in its capacity as fund manager and agent for its clients
“Acceptance”	:	The acceptances of the Offers by the Company, STC Equities and MSPL in respect of the Relevant Securities
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Bonds Record Date”	:	In relation to any Convertible Bonds Distribution, the date on which holders of the Convertible Bonds, including persons whose Offer Convertible Bonds are deposited with CDP or who have purchased Offer Convertible Bonds on the SGX-ST, must be registered with WBL or with CDP, as the case may be, in order to participate in such Convertible Bonds Distribution
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 12 June 2013
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	The Straits Trading Company Limited
“Company Undertaking”	:	A written undertaking from the Company to the SGX-ST that it will seek Shareholders’ ratification of the Acceptance at an extraordinary general meeting
“Concert Parties”	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offers
“Concert Party Group”	:	Oversea-Chinese Banking Corporation Limited and its wholly-owned subsidiaries, Great Eastern Holdings Limited and its wholly-owned subsidiaries, the Lee Group (as defined in the UE Offer Document), and Mr Wong Hein Jee
“Conversion Stock Units”	:	New Stock Units unconditionally issued or to be issued pursuant to the valid conversion prior to the close of the Stock Unit Offer of any of the Convertible Bonds
“Convertible Bonds”	:	The outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009
“Convertible Bonds Distributions”	:	Any interest, payments, rights or other distributions in respect of Convertible Bonds
“Convertible Bonds Offer”	:	The mandatory conditional cash offer made by J.P. Morgan, for and on behalf of the Offeror, to acquire the Offer Convertible Bonds, on the terms and subject to the conditions set out in the UE Offer Document and the form of acceptance and authorisation and the form of acceptance and transfer in respect of the Convertible Bonds Offer, which, for the avoidance of doubt, shall mean such offer as may be revised by, or for and on behalf of, the Offeror from time to time

DEFINITIONS

“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company to be held on 28 June 2013, notice of which is set out on pages 21 to 22 of this Circular
“Encumbrances”	:	All claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
“EPS”	:	Earnings per Share
“Final Closing Date”	:	29 May 2013, being the last date for the lodgement of acceptances of the Offers
“Final Convertible Bonds Offer Price”	:	The final offer price for the relevant principal amount of the Offer Convertible Bonds validly tendered in acceptance of the Convertible Bonds Offer, as described in paragraph 3.5 of this Circular
“Final Stock Unit Offer Price”	:	S\$4.50 in cash for each Offer Stock Unit
“J.P. Morgan”	:	J.P. Morgan (S.E.A.) Limited, the financial adviser to the Offeror and UE in connection with the Offers
“Latest Practicable Date”	:	5 June 2013, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“MSPL”	:	Malayan Securities Private Limited
“NAV”	:	Net asset value, where net assets means total assets less total liabilities
“Notice of EGM”	:	The notice of EGM which is set out on pages 21 to 22 of this Circular
“NTA”	:	Net tangible assets
“Offer Convertible Bonds”	:	All the Convertible Bonds other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group
“Offeror”	:	UE Centennial Venture Pte. Ltd.
“Offers”	:	The Stock Unit Offer and the Convertible Bonds Offer
“Offer Settlement Date”	:	In relation to any Offer Stock Units tendered in acceptance of the Stock Unit Offer, the settlement date in respect of such Offer Stock Units
“Offer Stock Units”	:	All the issued Stock Units other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group, including all Conversion Stock Units and all the issued Stock Units owned, controlled or agreed to be acquired by the Concert Parties (other than the Concert Party Group)

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“Original Stock Unit Offer Price”	:	S\$4.15 in cash for each Offer Stock Unit
“Pre-Conditional Offers Announcement Date”	:	30 January 2013, being the date of the announcement released by J.P. Morgan, for and on behalf of the Offeror, in connection with the pre-conditional voluntary offers for WBL
“Relevant Convertible Bonds”	:	An aggregate principal amount of S\$749,539 Convertible Bonds
“Relevant Securities”	:	The Relevant Stock Units and the Relevant Convertible Bonds
“Relevant Stock Units”	:	An aggregate number of 112,734,618 Stock Units
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the depositors whose Securities Accounts are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Standard Chartered Bank”	:	Standard Chartered Bank, the financial adviser to the Company in connection with the Acceptance
“STC 1Q2013”	:	The first financial quarter for the STC Group ended 31 March 2013
“STC Equities”	:	STC Equities Holding Pte. Ltd.
“STC FY2012”	:	The financial year for the STC Group ended 31 December 2012
“STC Group”	:	The Company and its subsidiaries
“STC Group 1Q2013 Results”	:	The unaudited consolidated financial statements of the STC Group for STC 1Q2013 as announced by the Company on 13 May 2013
“STC Group FY2012 Results”	:	The audited consolidated financial statements of the STC Group for STC FY2012 as set out in the annual report of the Company for STC FY2012
“Stock Unit Distributions”	:	Any dividends, rights and other distributions in respect of Stock Units
“Stock Unit Offer”	:	The mandatory conditional cash offer made by J.P. Morgan, for and on behalf of the Offeror, to acquire the Offer Stock Units, on the terms and subject to the conditions set out in the UE Offer Document and the form of acceptance and authorisation and form of acceptance and transfer in respect of the Stock Unit Offer, which, for the avoidance of doubt, shall mean such offer as may be revised by, or for and on behalf of, the Offeror from time to time
“Stock Units”	:	Ordinary stock units in the capital of WBL

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“Stock Units Record Date”	:	In relation to any Stock Unit Distribution, the date on which WBL Stockholders must be registered with WBL or CDP, as the case may be, in order to participate in such Stock Unit Distribution
“TCPL”	:	The Cairns Pte. Ltd.
“TCPL Undertaking”	:	Written undertakings from TCPL to the Company (i) to vote in favour of any Shareholders’ resolution(s) relating to the approval and ratification of the Acceptance at the EGM to be convened and (ii) that it will not dispose of its equity stake in the Company before and up to the date of the EGM
“Third Avenue”	:	Certain funds and portfolios managed by Third Avenue Management LLC
“UE”	:	United Engineers Limited
“UE Group”	:	UE and its subsidiaries
“UE Offer Document”	:	The offer document dated 27 March 2013 issued for and on behalf of the Offeror in relation to the Offers and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update such offer document
“VWAP”	:	Volume weighted average price
“Waiver”	:	A waiver from the requirement to obtain prior Shareholders’ approval for the Acceptance and that the Company may instead seek Shareholders’ ratification of the Acceptance
“WBL”	:	WBL Corporation Limited
“WBL FY2012 Dividend”	:	The payment of a tax-exempt (one-tier) final dividend of S\$0.05 per Stock Unit for the financial year ended 30 September 2012 to WBL Stockholders on the Register of Members of WBL as at the WBL FY2012 Dividend Record Date
“WBL FY2012 Dividend Record Date”	:	24 January 2013
“WBL Group”	:	WBL and its subsidiaries
“WBL Group 1H2013 Results”	:	The unaudited consolidated financial statements of the WBL Group for the financial half year ended 31 March 2013 as announced by WBL on 8 May 2013
“WBL Group 2Q2013 Results”	:	The unaudited consolidated financial statements of the WBL Group for the financial quarter ended 31 March 2013 as announced by WBL on 8 May 2013
“WBL Interim Dividend”	:	The payment of a tax-exempt (one-tier) interim dividend of S\$0.05 per Stock Unit for the financial half year ended 31 March 2013 to WBL Stockholders on the Register of Members of WBL as at the WBL Interim Dividend Record Date
“WBL Interim Dividend Record Date”	:	11 July 2013

DEFINITIONS

“WBL Stockholders”	:	Holders of the Stock Units
“S\$” or “cents”	:	Singapore dollars or Singapore cents, respectively
“%”	:	Per centum or percentage

Acting in Concert. The expression “**acting in concert**” shall have the same meaning ascribed to it in the Code.

Associated Company, Controlling Shareholder. The terms “**associated company**” and “**controlling shareholder**” shall have the same meanings ascribed to them respectively in the Listing Manual.

Depositors. The terms “**depositor**” and “**depository register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in tables included in this Circular between the amounts listed and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual or the Code or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning ascribed to that term under the Companies Act, the Listing Manual or the Code or any statutory modification thereof, as the case may be.

Subsidiary. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date unless otherwise stated.

LETTER TO SHAREHOLDERS

THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

Directors:

Ms Chew Gek Khim (Executive Chairman)
Tan Sri Dato' Dr Lin See-Yan (Independent and Non-Executive Director)
Mr Razman Ariffin (Independent and Non-Executive Director)
Mrs Elizabeth Sam (Non-Independent and Non-Executive Director)
Ms Chew Gek Hiang (Non-Independent and Non-Executive Director)
Mr David Goh Kay Yong (Non-Independent and Non-Executive Director)
Mr Yap Chee Keong (Executive Director)
Mr Tham Kui Seng (Independent and Non-Executive Director)
Mr Gautam Banerjee (Lead Independent Director and Non-Executive Director)

Registered Office:

9 Battery Road
#28-01, Straits Trading Building
Singapore 049910

12 June 2013

To: **The Shareholders of The Straits Trading Company Limited**

Dear Sir/Madam,

1. INTRODUCTION

1.1 Offers. The Directors refer to the following:

1.1.1 the mandatory conditional cash offer announced by J.P. Morgan, for and on behalf of UE Centennial Venture Pte. Ltd. ("**Offeror**"), on 12 March 2013 to acquire all the ordinary stock units in the capital of WBL Corporation Limited ("**WBL**") other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group on the terms and subject to the conditions set out in the UE Offer Document ("**Stock Unit Offer**"); and

1.1.2 the mandatory conditional cash offer announced by J.P. Morgan, for and on behalf of the Offeror, on 12 March 2013 to acquire all the outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009 other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group on the terms and subject to the conditions set out in the UE Offer Document ("**Convertible Bonds Offer**" and together with the Stock Unit Offer, the "**Offers**").

1.2 Acceptance. The STC Group had on 13 May 2013 accepted the Offers in respect of:

1.2.1 17,395,703 Stock Units held by the Company, representing approximately 6.27% of the issued Stock Units¹;

1.2.2 64,019,417 Stock Units held by STC Equities Holding Pte. Ltd., a wholly-owned subsidiary of the Company, representing approximately 23.09% of the issued Stock Units¹;

1.2.3 31,319,498 Stock Units held by Malayan Securities Private Limited ("**MSPL**"), a wholly-owned subsidiary of the Company, representing approximately 11.30% of the issued Stock Units¹; and

¹ Based on 277,246,035 Stock Units as at 13 May 2013 (based on a search conducted at ACRA on 13 May 2013).

LETTER TO SHAREHOLDERS

1.2.4 an aggregate principal amount of S\$749,539 Convertible Bonds held by MSPL which, when converted into Stock Units, represents approximately 0.12%² of the issued Stock Units¹,

(the “**Acceptance**”).

1.3 Relevant Securities. The aggregate number of 112,734,618 Stock Units (“**Relevant Stock Units**”), representing approximately 40.66% of the issued Stock Units¹, and the aggregate principal amount of S\$749,539 Convertible Bonds (“**Relevant Convertible Bonds**” and together with the Relevant Stock Units, the “**Relevant Securities**”), which, when converted into Stock Units, represents approximately 0.12%² of the issued Stock Units¹, referred to in **paragraph 1.2** of this Circular comprised all of the STC Group’s interest in WBL as at the date of the Acceptance.

1.4 Ratification Required. As the Acceptance constitutes a “major transaction” under Chapter 10 of the Listing Manual, the Acceptance requires the approval of Shareholders. As the Final Closing Date of the Offers was on 29 May 2013, it was not possible to seek the prior approval of Shareholders for the Acceptance. Accordingly, the Company applied to the SGX-ST to seek, *inter alia*, a waiver from the requirement to obtain prior Shareholders’ approval for the Acceptance and that the Company may instead seek Shareholders’ ratification of the Acceptance (“**Waiver**”). The SGX-ST granted the Waiver subject to certain conditions as more particularly described in **paragraph 8.4** of this Circular.

1.5 Circular. The purpose of this Circular is to provide Shareholders with information relating to the ordinary resolution in respect of the Acceptance to be proposed at the EGM, and to seek Shareholders’ ratification of the Acceptance at the forthcoming EGM.

2. ACCEPTANCE OF THE OFFERS

2.1 Background. On 12 March 2013, J.P. Morgan announced, for and on behalf of the Offeror, a firm intention to make the Offers.

2.2 Acceptance. On 13 May 2013, the Company announced that the STC Group had on 13 May 2013 accepted the Offers in respect of the Relevant Stock Units and the Relevant Convertible Bonds.

Please refer to **paragraph 5** of this Circular for details on the Company’s rationale for the Acceptance.

2.3 Information on WBL. WBL is a leading Asian conglomerate with a history of more than 100 years in Southeast Asia and with interests in various businesses.

2.3.1 Technology. WBL has controlling interests in Multi-Fineline Electronix, Inc. and MFS Technology Ltd which manufacture flexible printed circuits for segments such as mobile phones and personal digital assistants.

2.3.2 Property. A property development business in China with a focus on Chengdu, Chongqing, Suzhou, Shanghai and Shenyang provinces.

2.3.3 Automotive. Automotive distributor in Singapore, Malaysia, Hong Kong, Indonesia and Thailand representing 11 premium brands.

2.3.4 Others. Portfolio of other businesses in engineering and distribution, mining, property management and production of agro technology.

Please refer to **paragraphs 5 and 6** of this Circular for details on the Company’s rationale for the Acceptance and information on the values of the Relevant Securities respectively.

² The Convertible Bonds are convertible at a conversion price of S\$2.29.

LETTER TO SHAREHOLDERS

2.4 Information on the Offeror and UE

2.4.1 Offeror. The Offeror is a company incorporated in Singapore on 18 January 2013 and is a direct wholly-owned subsidiary of United Engineers Limited (“UE”). Its principal activities are those of an investment holding company.

Based on the UE Offer Document, as at 21 March 2013:

- (i) the Offeror has an issued and paid-up share capital of S\$1.00 comprising one issued ordinary share; and
- (ii) the directors of the Offeror are Mr Jackson Chevalier Yap Kit Siong and Mr Wong Hein Jee.

2.4.2 UE. UE is a company incorporated in Singapore and is listed on the Main Board of the SGX-ST. The principal activities of UE include those of a holding company and property owner and the provision of management services to related companies. The UE Group is primarily engaged in integrated property services, engineering and construction businesses.

Based on the UE Offer Document, as at 21 March 2013:

- (i) UE has an issued and paid-up ordinary share capital of approximately S\$341,015,014 comprising 306,905,428 issued stock units and an issued and paid-up preference share capital of S\$875,000 comprising 875,000 issued cumulative preference shares and a market capitalisation of approximately S\$956.3 million; and
- (ii) the directors of UE are Mr Tan Ngiap Joo, Mr Jackson Chevalier Yap Kit Siong, Mr Chew Leng Seng, Mr Norman Ip Ka Cheung, Mr Koh Poh Tiong, Dr Michael Lim Chun Leng, Dr Tan Eng Liang and Mr David Wong Cheong Fook.

To the best of the Company’s knowledge, UE does not have any relationship with the Company.

2.5 Offers Unconditional and Offeror’s Aggregate Holdings. On 13 May 2013, the STC Group accepted the Offers in respect of the Relevant Securities and on the same day, J.P. Morgan announced, for and on behalf of the Offeror, that as at 5.00 p.m. on 13 May 2013:

2.5.1 the Offeror had received valid acceptances of the Stock Unit Offer in respect of 131,416,434 Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), result in the Offeror and its Concert Parties holding such number of Stock Units carrying more than 50% of the voting rights attributable to the maximum potential stock capital of WBL³. Accordingly, J.P. Morgan announced, for and on behalf of the Offeror, that the minimum acceptance condition of the Stock Unit Offer had been satisfied and the Offers had therefore become and were declared unconditional in all respects on 13 May 2013; and

2.5.2 including valid acceptances of the Stock Unit Offer and the Convertible Bonds Offer, the Offeror and its Concert Parties owned, controlled or have agreed to acquire an aggregate of (i) 243,218,040 Stock Units, representing approximately 87.73% of the total number of issued Stock Units⁴ and approximately 86.72% of the maximum potential stock capital of WBL and (ii) S\$1,975,069 in principal amount of Convertible Bonds, which are convertible into Conversion Stock Units representing approximately 0.31% of the maximum potential stock capital of WBL.

³ References in this Circular to the maximum potential stock capital of WBL are based on 280,479,517 Stock Units, assuming that all the outstanding Convertible Bonds (but excluding the Convertible Bonds owned by the Offeror and its Concert Parties and the Offer Convertible Bonds in respect of which acceptances have been received by the Offeror as referred to in the announcement dated 13 May 2013 made by J.P. Morgan for and on behalf of the Offeror) are converted.

⁴ Based on 277,246,035 Stock Units as at 13 May 2013.

LETTER TO SHAREHOLDERS

2.6 Post-Settlement. Settlement for the Acceptance took place on 23 May 2013. As at the Latest Practicable Date, the STC Group does not have any interest in WBL and WBL has ceased to be an associated company of the Company.

3. PRINCIPAL TERMS OF THE OFFERS

3.1 Final Stock Unit Offer Price. On 12 March 2013, J.P. Morgan announced, for and on behalf of the Offeror, that under the terms of the Stock Unit Offer, the consideration for each Offer Stock Unit is as follows:

For each Offer Stock Unit: S\$4.15 in cash.

On 9 May 2013, J.P. Morgan announced, for and on behalf of the Offeror, that the Offeror was revising the Original Stock Unit Offer Price as follows:

For each Offer Stock Unit: S\$4.50 in cash.

The Offeror also announced that it did not intend to further revise the Final Stock Unit Offer Price.

3.2 Final Closing Date. On 9 May 2013, J.P. Morgan also announced, for and on behalf of the Offeror, that the Final Closing Date is 5.30 p.m. on 29 May 2013.

The Offeror also announced that it had no intention of extending the Offers beyond 5.30 p.m. on the Final Closing Date.

3.3 Minimum Acceptance Condition. The Stock Unit Offer is conditional upon the Offeror having received, by the close of the Stock Unit Offer, valid acceptances in respect of such number of Offer Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of Stock Units carrying more than 50% of the voting rights attributable to the issued Stock Units as at the close of the Stock Unit Offer (including any voting rights attributable to Conversion Stock Units).

As set out in **paragraph 2.5.1** of this Circular, the Stock Unit Offer was declared unconditional in all respects on 13 May 2013.

3.4 Convertible Bonds and Convertible Bonds Offer. The Convertible Bonds are convertible into ordinary shares in the capital of WBL which, upon their issue, will each be converted into one Conversion Stock Unit at the conversion price of S\$2.29 per Conversion Stock Unit, subject to adjustments in accordance with the terms and conditions of the Convertible Bonds.

In addition to extending the Stock Unit Offer to all Conversion Stock Units, J.P. Morgan, for and on behalf of the Offeror, also made the Convertible Bonds Offer to acquire all the Convertible Bonds other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group in accordance with Rule 19 of the Code.

3.5 Final Convertible Bonds Offer Price. On 9 May 2013, J.P. Morgan announced, for and on behalf of the Offeror, that as a consequence of the revision of the Original Stock Unit Offer Price, the Final Convertible Bonds Offer Price is accordingly revised, in accordance with Rule 19 of the Code, to the “see-through” price which is equal to the Final Stock Unit Offer Price multiplied by the number of Conversion Stock Units into which such principal amount of Offer Convertible Bonds may be converted (rounded down to the nearest Conversion Stock Unit).

For purely illustrative purposes only, the Final Convertible Bonds Offer Price is as follows:

For every S\$1,000 in principal amount of Convertible Bonds: S\$1,962 in cash.

LETTER TO SHAREHOLDERS

- 3.6 Condition.** The Convertible Bonds Offer was subject to and conditional upon the Stock Unit Offer becoming or being declared unconditional in all respects and the Offer Convertible Bonds continuing to be transferable and convertible into Conversion Stock Units. As set out in **paragraph 2.5.1** of this Circular, as the Stock Unit Offer was declared unconditional in all respects on 13 May 2013, the Convertible Bonds Offer was also declared unconditional in all respects on 13 May 2013.
- 3.7 Further Details.** Further details on the principal terms of the Offers are set out in **Appendix 1** to this Circular.

4. CONSIDERATION RECEIVED FOR THE ACCEPTANCE

- 4.1 Aggregate Consideration Received.** The aggregate consideration of S\$508.8 million received by the STC Group pursuant to the Acceptance comprises:
- 4.1.1** S\$507.3 million in cash for the aggregate of 112,734,618 Stock Units tendered in acceptance of the Stock Unit Offer; and
- 4.1.2** S\$1.5 million in cash⁵ for the aggregate principal amount of S\$749,539 Convertible Bonds tendered in acceptance of the Convertible Bonds Offer.

5. RATIONALE FOR THE ACCEPTANCE AND BENEFITS TO THE COMPANY

- 5.1 Execution Risk in Unlocking Value in WBL.** On 18 January 2013, the Company completed the acquisition of 64,019,417 Stock Units from Aberdeen and Third Avenue, representing 23.57% of WBL. This increased the Company's stockholding in WBL from 16.98% to 40.55%⁶ and the Company, through its direct and indirect interests, became the single largest WBL Stockholder.

The Company had publicly expressed its desire over the last two years to work together with all stakeholders to unlock value for the benefit of all WBL Stockholders. The Company believes it is critical for the board and management of WBL to have commonality of goals and strategies for any value unlocking initiatives to be successful. However, the Company did not have sufficient control over WBL and was therefore unable to successfully pursue and implement such value unlocking initiatives.

The desire to work together with all stakeholders of WBL to unlock value and the belief that it is critical for the board and management of WBL to have commonality of goals and strategies in order for any value unlocking initiatives to be successful was also recognized by two substantial stockholders of WBL at that time, namely Aberdeen and Third Avenue. This mutual recognition resulted in a share swap, which was approved by Shareholders on 16 January 2013 and completed on 18 January 2013, and which valued WBL at S\$3.41 per Stock Unit. The share swap increased the STC Group's stockholding in WBL to 40.55%⁶ and triggered a mandatory general offer by the Company and its concert parties for WBL. The Company's reasons for entering into the share swap and triggering the mandatory general offer for WBL at that time included, *inter alia*, the potential for continued growth in the various businesses and subsidiaries of WBL and the benefits of becoming the majority WBL Stockholder had its mandatory general offer for WBL been successful.

Following the announcement of its mandatory general offer for WBL at an offer price of either S\$3.36 in cash for each Stock Unit or 1.054293 new Shares for each Stock Unit, the Company also made approaches to other substantial WBL Stockholders to embrace its objective of a common goal for value unlocking.

⁵ Assuming conversion of the Relevant Convertible Bonds, at a conversion price of S\$2.29, into such number of Conversion Stock Units multiplied by the Final Stock Unit Offer Price.

⁶ Based on 271,592,302 issued Stock Units as at 18 January 2013 (based on a search conducted at ACRA on such date).

LETTER TO SHAREHOLDERS

However, on 30 January 2013, the Offeror announced a pre-conditional voluntary offer for WBL at a price of S\$4.00 per Offer Stock Unit. Subsequently, the Company allowed its mandatory general offer for WBL to lapse on 1 March 2013 as such mandatory general offer had not become unconditional as to acceptances.

The offer price for the Stock Units under the Offers was raised to S\$4.15 per Offer Stock Unit on 12 March 2013 and subsequently, further raised to S\$4.50 per Offer Stock Unit on 9 May 2013. Based on the dealings disclosure announcement made by J.P. Morgan, for and on behalf of the Offeror, on 10 May 2013 in respect of the acquisition by the Offeror of 517,000 Stock Units by way of open market purchases on 10 May 2013, the Company noted that as at 10 May 2013, the Offeror and its Concert Parties owned or controlled 40.00% of the issued Stock Units⁷.

If the Stock Unit Offer had been unsuccessful, or if the STC Group had not accepted the Stock Unit Offer, the STC Group, and its concert parties, and the Offeror and its Concert Parties would have remained as the two largest remaining blocks of WBL Stockholders, without the assurance of a common goal.

In light of these developments, the Company considered that going forward, it may be more challenging to work together with the other major WBL Stockholders to realise value.

In reaching its decision to accept the Offers, the Company also took into account the more challenging market conditions in some of WBL's businesses which have led to a lower valuation range as set out in the letter dated 9 April 2013 from KPMG Corporate Finance Pte Ltd to the independent directors of WBL in respect of the Offers. These factors have also increased the execution risk inherent in the unlocking of further value in WBL.

5.2 Opportunity to Realise Value for Shareholders in line with Strategy. The Acceptance is in line with the Company's overall business strategy of transforming its portfolio of assets and unlocking value. The Company believes that the Acceptance, which would allow the STC Group to realise an immediate gain of approximately S\$83.3 million⁸ from its investment in WBL, is also in the best interest of Shareholders.

In accepting the Offers, the STC Group will benefit from a 37.2%⁹ increase in the value of the Stock Units as compared to the one-year VWAP of S\$3.28 per Stock Unit as at 23 November 2012, being the last full day of trading of the Stock Units on the SGX-ST prior to the date of the announcement of the Company's possible offers for the Stock Units and the Convertible Bonds.

5.3 Financial Flexibility to Pursue other Opportunities and to Enhance Shareholder Returns. The gross cash proceeds of S\$508.8 million arising from the Acceptance would provide the STC Group with significant financial flexibility to invest in other value accretive opportunities and to further enhance Shareholder returns.

6. VALUES OF THE RELEVANT SECURITIES

6.1 Book Value and Historical Cost. The book value of the Relevant Securities is approximately S\$419.2 million. The historical cost paid by the STC Group for the Relevant Securities is S\$425.5 million, comprising S\$423.9 million for the Relevant Stock Units and S\$1.5 million for the Relevant Convertible Bonds.

6.2 NTA. Based on the WBL Group 1H2013 Results, the net tangible asset value (excluding non-controlling interests) of the Relevant Securities is approximately S\$368.7 million.

⁷ Based on 277,246,035 issued Stock Units as set out in the announcement dated 10 May 2013 made by J.P. Morgan for and on behalf of the Offeror.

⁸ Estimated gain over the historical cost of the Relevant Securities. The gain is calculated based on the assumption that no income tax is payable on the gains from the Acceptance.

⁹ Based on the Final Stock Unit Offer Price of S\$4.50 in cash for each Offer Stock Unit.

LETTER TO SHAREHOLDERS

- 6.3 Open Market Value.** Based on the VWAP of the Stock Units transacted on the SGX-ST on 29 May 2013 (being the full market day immediately preceding the Latest Practicable Date on which the Stock Units were traded on the SGX-ST), assuming conversion of the Relevant Convertible Bonds, the open market value of the Relevant Securities is approximately S\$503.4 million.
- 6.4 Excess of Aggregate Consideration over Historical Cost.** The excess of the aggregate consideration of S\$508.8 million received by the STC Group pursuant to the Acceptance over the historical cost of the Relevant Securities as set out in **paragraph 6.1** of this Circular is S\$83.3 million.
- 6.5 Net Loss and Estimated Gain from the Acceptance.** Based on the WBL Group 1H2013 Results, the net loss before tax attributable to the Relevant Securities is approximately S\$3.8 million. Based on the book value of the Relevant Securities as set out in **paragraph 6.1** of this Circular, the estimated accounting gain¹⁰ by the STC Group pursuant to the Acceptance is approximately S\$91.9 million.

7. PRO-FORMA FINANCIAL EFFECTS OF THE ACCEPTANCE

The pro-forma financial effects of the Acceptance are set out in **Appendix 2** to this Circular.

8. ACCEPTANCE AS A MAJOR TRANSACTION

- 8.1 Relative Figures.** The relative figures for the Acceptance computed on the relevant bases set out in Rule 1006 of the Listing Manual and based on the STC Group 1Q2013 Results and the WBL Group 2Q2013 Results¹¹ are as follows:

Rule 1006	Bases	Relevant Securities (S\$ million)	STC Group (S\$ million)	Relative Figures (%)
(a)	The NAV of the Relevant Securities, compared with the STC Group's NAV	522.7 ⁽¹⁾	1,392.4 ⁽²⁾	37.5
(b)	The net profits / (losses) ⁽³⁾ attributable to the Relevant Securities compared with the STC Group's net profits / (losses) ⁽⁴⁾	(9.9) ⁽⁵⁾	6.3	(156.1)
(c)	The aggregate consideration ⁽⁶⁾ received for the Acceptance, compared with the Company's market capitalisation ⁽⁷⁾	508.8	1,565.7	32.5

Notes:

- ⁽¹⁾ The NAV of the Relevant Securities is based on the WBL Group 2Q2013 Results, assuming conversion of the Relevant Convertible Bonds. The NAV of the Relevant Securities includes intangible assets of S\$23.9 million and non-controlling interest of S\$130.1 million.
- ⁽²⁾ The STC Group's NAV of S\$1,392.4 million was reported in the STC Group 1Q2013 Results.
- ⁽³⁾ Net profit / loss is defined as profit / loss before income tax, minority interests and extraordinary items.
- ⁽⁴⁾ A net profit of S\$6.3 million was reported in the STC Group 1Q2013 Results.
- ⁽⁵⁾ Based on the WBL Group 2Q2013 Results, a net loss of approximately S\$9.9 million (rounded up to the nearest decimal place) was attributable to the Relevant Securities, assuming conversion of the Relevant Convertible Bonds. The net loss of S\$9.88 million attributable to the Relevant Securities is derived from WBL's net loss of S\$24.3 million based on the WBL Group 2Q2013 Results divided by the total number of Stock Units assuming conversion of the Relevant Convertible Bonds and then multiplied by the number of Relevant Securities (comprising the Relevant Stock Units and such number of Conversion Stock Units arising from the conversion of the Relevant Convertible Bonds). The net loss attributable to the Relevant Securities (without conversion of the Relevant Convertible Bonds) would be S\$9.86 million.

¹⁰ The gain is calculated based on the assumption that no income tax is payable on the gains from the Acceptance and includes the STC Group's share of WBL's non revenue reserves amounting to S\$2.3 million arising from equity accounting for investment in associates.

¹¹ For the purpose of comparing between similar calendar periods, the relative figures have been computed based on (i) the STC Group 1Q2013 Results, being the STC Group's latest announced unaudited consolidated financial statements for the financial period beginning 1 January 2013 and ending 31 March 2013 and (ii) the WBL Group 2Q2013 Results, being the unaudited consolidated financial statements of the WBL Group for the same financial period.

LETTER TO SHAREHOLDERS

- ⁽⁶⁾ The aggregate consideration of S\$508.8 million received pursuant to the Acceptance is calculated based on S\$4.50 in cash for each Stock Unit and Conversion Stock Unit. The Convertible Bonds are convertible at a conversion price of S\$2.29. Please refer to **paragraphs 3.1 and 3.5** of this Circular for details on the Final Stock Unit Offer Price and the Final Convertible Bonds Offer Price respectively.
- ⁽⁷⁾ The market capitalisation has been calculated on the basis of 394,397,772 Shares in issue multiplied by the VWAP of the Shares transacted on 10 May 2013, being the last full market day preceding the date the Company announced the Acceptance on which the Shares were traded on the SGX-ST.

8.2 Classification. Based on the relative figures for the Acceptance set out in the table in **paragraph 8.1** of this Circular, the Acceptance constitutes a “major transaction” under Chapter 10 of the Listing Manual.

8.3 Grounds for Waiver of Rule 1014(2). As the Final Closing Date of the Offers was on 29 May 2013, it was not possible to seek the prior approval of Shareholders for the Acceptance. Accordingly, an application was made on behalf of the Company to the SGX-ST to seek, *inter alia*, a waiver from the requirement to obtain prior Shareholders’ approval for the Acceptance and that the Company may instead seek Shareholders’ ratification of the Acceptance.

The grounds for seeking the Waiver included, *inter alia*, the following:

- 8.3.1** the timing for the close of the Offers was set by the Offeror in accordance with the Code. Accordingly, the STC Group had no control over the timing, and would not be in a position to extend the closing date for the purpose of seeking the prior approval of Shareholders. If the prior approval of Shareholders was required, the STC Group would not have been able to tender the Relevant Securities in acceptance of the Offers by the Final Closing Date. The Company should therefore not be unduly prejudiced from accepting the Offers by reason only of the requirement to seek prior Shareholders’ approval;
- 8.3.2** the management of the Company considered that the Acceptance is in the best interests of the Company. If the Relevant Securities were not tendered in acceptance of the Offers, it will be prejudicial to the interests of Shareholders as the Company may not get another opportunity to divest the Relevant Securities in the foreseeable future; and
- 8.3.3** if the Offers become unconditional and the Relevant Securities are not tendered in acceptance before the close of the Offers, the Company will remain as a minority stockholder in a company which it does not control.
- 8.4 Conditions for Waiver.** In this regard, the SGX-ST granted the Waiver on 19 April 2013, subject to the following:
- 8.4.1** unanimous approval by the Directors of the Acceptance;
- 8.4.2** submission of a written undertaking from the Company to the SGX-ST that it will seek Shareholders’ ratification of the Acceptance at an extraordinary general meeting (“**Company Undertaking**”). The extraordinary general meeting should be held within 3 months from the date of granting of the Waiver;
- 8.4.3** TCPL, being the largest Shareholder with a shareholding interest in the Company of approximately 73.49%, providing to the SGX-ST a copy of its written undertakings to the Company (i) to vote in favour of any Shareholders’ resolution(s) relating to the approval and ratification of the Acceptance at the EGM to be convened and (ii) that it will not dispose of its equity stake in the Company before and up to the date of the EGM (“**TCPL Undertaking**”); and
- 8.4.4** the Company announcing the Waiver, the reasons for seeking the Waiver and the conditions, as required under Rule 107 of the Listing Manual, upon tender of the Relevant Securities in acceptance of the Offers.

LETTER TO SHAREHOLDERS

In satisfaction of the conditions of the Waiver:

- (i) the Acceptance was unanimously approved by the Directors;
- (ii) the Company has submitted the Company Undertaking to the SGX-ST and Company will be convening the EGM to seek Shareholders' ratification of the Acceptance on 28 June 2013, which is within 3 months from the date of granting of the Waiver;
- (iii) a copy of the TCPL Undertaking has been provided to the SGX-ST; and
- (iv) the Company had on 13 May 2013 announced the Waiver, the reason for seeking the Waiver and the conditions attaching to the Waiver. Further details relating to the grounds for seeking the Waiver have also been disclosed in **paragraph 8.3** of this Circular.

9. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

9.1 Directors' Interests. As at the Latest Practicable Date, apart from their shareholdings in the Company, none of the Directors has any interest, direct or indirect, in the Acceptance.

9.2 Controlling Shareholders' Interests. As at the Latest Practicable Date, apart from their shareholdings in the Company, none of the controlling shareholders has any interest, direct or indirect, in the Acceptance.

10. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acceptance. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Acceptance is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the ratification of the Acceptance to be proposed at the EGM.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 21 to 22 of this Circular, will be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 11.30 a.m., or such time following the conclusion of the extraordinary general meeting to be held on the same day at 10.30 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

13.1 Appointment of Proxies. Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find enclosed in this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910, not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

LETTER TO SHAREHOLDERS

13.2 When Depositor Regarded as Shareholder. A depositor shall not be regarded as a Shareholder entitled to attend the EGM and vote thereat unless his name appears on the depository register at least 48 hours before the time appointed for the EGM.

14. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual report of the Company for STC FY2012;
- (iii) the STC Group 1Q2013 Results;
- (iv) the Company Undertaking; and
- (v) the TCPL Undertaking.

15. RESPONSIBILITY STATEMENTS

15.1 Directors' Responsibility. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acceptance and the STC Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

15.2 Standard Chartered Bank. To the best of Standard Chartered Bank's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acceptance and the STC Group, and it is not aware of any facts the omission of which would make any statement in this Circular misleading.

Yours faithfully

For and on behalf of
The Board of Directors of
THE STRAITS TRADING COMPANY LIMITED

Chew Gek Khim
Executive Chairman
12 June 2013

APPENDIX 1

PRINCIPAL TERMS OF THE OFFERS

1. **No Encumbrances.** The Offer Stock Units were acquired fully paid and free from all Encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offers Announcement Date and thereafter attaching thereto, including the right to all Stock Unit Distributions (if any), the Stock Units Record Date for which falls on or after the Pre-Conditional Offers Announcement Date.

The Offer Convertible Bonds were acquired fully paid and free from all Encumbrances and together with all rights, interests, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offers Announcement Date and thereafter attaching thereto, including the right to all Convertible Bonds Distributions (if any), the Bonds Record Date for which falls on or after the Pre-Conditional Offers Announcement Date but excluding any payment of interest in respect of Convertible Bonds, the Bonds Record Date for which falls on or before the relevant settlement date in respect of the Offer Convertible Bonds tendered in acceptance of the Convertible Bonds Offer.

2. **Adjustments for Distributions.** Without prejudice to the generality of the foregoing, the Final Stock Unit Offer Price of S\$4.50 in cash for each Offer Stock Unit has been determined on the basis that the Offer Stock Units will be acquired with the right to receive any Stock Unit Distributions, the Stock Units Record Date for which falls on or after the Pre-Conditional Offers Announcement Date. In the event of any such Stock Unit Distribution, the Final Stock Unit Offer Price payable to a WBL Stockholder who validly accepts or has validly accepted the Stock Unit Offer shall be reduced by an amount which is equal to the amount of such Stock Unit Distribution as follows, depending on when the Offer Settlement Date falls:

- (i) if the Offer Settlement Date falls on or before the Stock Units Record Date, the Offeror will pay the relevant accepting WBL Stockholders the Final Stock Unit Offer Price of S\$4.50 in cash for each Offer Stock Unit, as the Offeror will receive the Stock Unit Distribution in respect of such Offer Stock Units from WBL; and
- (ii) if the Offer Settlement Date falls after the Stock Units Record Date, the Final Stock Unit Offer Price payable for such Offer Stock Units tendered in acceptance shall be reduced by an amount which is equal to the Stock Unit Distribution in respect of such Offer Stock Units, as the Offeror will not receive such Stock Unit Distribution from WBL.

3. **No Adjustments for WBL FY2012 Dividend.** At the annual general meeting of WBL held on 18 January 2013, the WBL Stockholders approved the WBL FY2012 Dividend which has been paid on 18 February 2013.

For the avoidance of doubt, the Final Stock Unit Offer Price of S\$4.50 in cash for each Offer Stock Unit **has not been adjusted** for the WBL FY2012 Dividend as the WBL FY2012 Dividend Record Date falls before the Pre-Conditional Offers Announcement Date.

4. **No Adjustments for WBL Interim Dividend.** As stated in the announcement by WBL dated 8 May 2013, WBL has declared the WBL Interim Dividend of S\$0.05 per Stock Unit, for the financial half year ended 31 March 2013, payable on 1 August 2013 to WBL Stockholders on the Register of Members of WBL on the WBL Interim Dividend Record Date. Based on the foregoing and the Final Closing Date, the Offer Settlement Date will fall before the WBL Interim Dividend Record Date and accordingly, the Final Stock Unit Offer Price **has not been adjusted** for the WBL Interim Dividend.

For the avoidance of doubt, following the Acceptance, the STC Group will not be WBL Stockholders as at the WBL Interim Dividend Record Date and therefore will not be entitled to receive the WBL Interim Dividend.

APPENDIX 2

PRO-FORMA FINANCIAL EFFECTS OF THE ACCEPTANCE

1. Assumptions

The pro-forma financial effects of the Acceptance on the NTA per Share, EPS, and the share capital of the Company are set out below and are based on the STC Group FY2012 Results and the STC Group 1Q2013 Results. The pro-forma financial effects have been prepared purely for illustration only and do not reflect the actual future financial situation of the STC Group after completion of the Acceptance.

2. NTA – STC FY2012

For purely illustrative purposes only, assuming the Acceptance had been effected on 31 December 2012, being the end of STC FY2012, the effect of the Acceptance on the NTA per Share for STC FY2012 would be as follows:

	Before the Acceptance	After the Acceptance
NTA (S\$ million)	1,110.0	1,424.1 ⁽¹⁾
Number of Shares (million)	325.9 ⁽²⁾	394.4
NTA per Share (S\$)	3.41	3.61

Notes:

⁽¹⁾ The increase in NTA of approximately S\$314.1 million includes (i) the gain on the disposal of the Relevant Securities of approximately S\$83.3 million (calculated based on the assumption that no income tax is payable on the gains from the Acceptance) and (ii) S\$230.8 million arising from the share swap agreements with Aberdeen and Third Avenue which were completed on 18 January 2013.

⁽²⁾ This excludes 68,500,772 Shares which were allotted and issued to Aberdeen and Third Avenue pursuant to share swap agreements which were completed on 18 January 2013.

3. NTA – STC 1Q2013

For purely illustrative purposes only, assuming the Acceptance had been effected on 31 March 2013, being the end of STC 1Q2013, the effect of the Acceptance on the NTA per Share for STC 1Q2013 would be as follows:

	Before the Acceptance	After the Acceptance
NTA (S\$ million)	1,327.4 ⁽¹⁾	1,417.0
Number of Shares (million)	394.4	394.4
NTA per Share (S\$)	3.37	3.59

Note:

⁽¹⁾ This figure includes the effects of the share swap agreements with Aberdeen and Third Avenue which were completed on 18 January 2013.

4. EPS – STC FY2012

For purely illustrative purposes only, assuming the Acceptance had been effected on 1 January 2012, being the beginning of STC FY2012, the effect of the Acceptance on the EPS for STC FY2012 would be as follows:

	Before the Acceptance	After the Acceptance
Profit / (Loss) after tax and minority interests (S\$ million)	(55.2)	23.5 ⁽¹⁾
Number of Shares (million)	325.9 ⁽²⁾	394.4
EPS (cents)	(16.95)	5.95

APPENDIX 2

PRO-FORMA FINANCIAL EFFECTS OF THE ACCEPTANCE

Notes:

- (1) The difference of S\$78.7 million in profit after tax and minority interests before and after the Acceptance includes the gain on the disposal of the Relevant Securities of approximately S\$83.3 million (calculated based on the assumption that no income tax is payable on the gains from the Acceptance) less S\$4.6 million in dividend income received by the STC Group from the Relevant Stock Units for STC FY2012.
- (2) This excludes 68,500,772 Shares which were allotted and issued to Aberdeen and Third Avenue pursuant to share swap agreements which were completed on 18 January 2013.

5. EPS – STC 1Q2013

For purely illustrative purposes only, assuming the Acceptance had been effected on 1 January 2013, being the beginning of STC 1Q2013, the effect of the Acceptance on the EPS for STC 1Q2013 would be as follows:

	Before the Acceptance	After the Acceptance
Profit / (Loss) after tax and minority interests (S\$ million)	(0.3)	86.1 ⁽¹⁾
Number of Shares (million)	394.4	394.4
EPS (cents)	(0.07)	21.83

Note:

- (1) The difference of S\$86.4 million in profit after tax and minority interests before and after the Acceptance includes (i) the gain on the disposal of the Relevant Securities of approximately S\$83.3 million (calculated based on the assumption that no income tax is payable on the gains from the Acceptance) and (ii) approximately S\$3.0 million of the STC Group's share of WBL's losses (on an equity accounting basis) based on the STC Group 1Q2013 Results, which would be excluded if the Acceptance had been effected on 1 January 2013.

6. Share Capital

The Acceptance will not have any impact on the issued share capital of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of The Straits Trading Company Limited ("**Company**") will be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 11.30 a.m., or such time following the conclusion of the extraordinary general meeting to be held on the same day at 10.30 a.m., for the purpose of considering and, if thought fit, passing with or without modification(s), the following ordinary resolution:

RATIFICATION OF THE DISPOSAL OF ISSUED ORDINARY STOCK UNITS IN THE CAPITAL OF WBL CORPORATION LIMITED ("WBL") AND OUTSTANDING CONVERTIBLE BONDS ISSUED BY WBL

RESOLVED THAT:

- (a) the disposal by the Company of 17,395,703 issued ordinary stock units ("**Stock Units**") in the capital of WBL, by way of acceptance of the mandatory conditional cash offers made for and on behalf of UE Centennial Venture Pte. Ltd. ("**Offeror**") to acquire all the Stock Units and all the outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009 ("**Convertible Bonds**") other than those already owned, controlled or agreed to be acquired by the Offeror and its concert parties ("**Offers**"), be and is hereby approved, confirmed and ratified;
- (b) the procuring by the Company of the disposals, by its wholly-owned subsidiaries by way of acceptance of the Offers, of:
 - (i) 31,319,498 Stock Units and an aggregate principal amount of S\$749,539 Convertible Bonds held by Malayan Securities Private Limited; and
 - (ii) 64,019,417 Stock Units held by STC Equities Holding Pte. Ltd.,be and is hereby approved, confirmed and ratified;
- (c) the directors of the Company ("**Directors**") be and are hereby authorised to do any and all such acts and things as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the foregoing; and
- (d) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the foregoing be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei
Company Secretary
12 June 2013

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the extraordinary general meeting of the Company (“**EGM**”) is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.

THE STRAITS TRADING COMPANY LIMITED

(A member of the Tecity Group)
(Company Registration No.: 188700008D)
(Incorporated in Singapore)

PROXY FORM

Extraordinary General Meeting

I/We* _____ (Name)

of _____ (Address)

being a member/members* of **THE STRAITS TRADING COMPANY LIMITED** (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or*

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing such proxy/proxies*, the Chairman of the extraordinary general meeting ("EGM"), as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM to be held at Straits Ballrooms 2 and 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 28 June 2013 at 11.30 a.m. or such time following the conclusion of the extraordinary general meeting to be held on the same day at 10.30 a.m., and at any adjournment thereof.

(Please indicate with a "✓" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies* will vote or abstain from voting as the proxy/proxies* may think fit, as the proxy/proxies* will on any other matter arising at the EGM.)

	To be used on a show of hands		To be used in the event of a poll	
	For	Against	No. of Votes For	No. of Votes Against
Ordinary Resolution: To approve, confirm and ratify the Acceptance				

Dated this _____ day of _____ 2013

Total Number of Shares in:	No. of Shares
CDP Register	
Register of Members	

Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second-named proxy as an alternate to the first named.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with the Articles of Association of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 9 Battery Road, #28-01, Straits Trading Building, Singapore 049910 not less than 48 hours before the time appointed for the EGM. The sending of this form of proxy by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant instrument of proxy will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
6. A member of the Company should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time appointed for the EGM.
9. Agent banks acting on the request of investors who have purchased shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") who wish to attend the meeting as observers are required to submit in writing, a list with details of the CPF Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorized signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for the EGM.