

**CIRCULAR DATED 31 DECEMBER 2012**

**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.**

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation on the Main Board of the SGX-ST of up to 240,215,587 new ordinary shares in the capital of The Straits Trading Company Limited ("**Company**") to be issued as (i) Consideration Shares and (ii) New Shares (each as defined herein). The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Transactions, the Proposed Issuance, the Consideration Shares and the New Shares (each as defined herein).

If you have sold or transferred all your shares in 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 SGX-ST 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:**

- (1) The Proposed Acquisitions of up to 64,019,417 stock units in the capital of WBL Corporation Limited, representing approximately 23.58% of the entire issued stock capital of WBL Corporation Limited;**
- (2) The possible mandatory conditional offer by the Company for all the issued stock units in the capital of WBL Corporation Limited, other than those already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company; and**
- (3) The issuance of up to 240,215,587 new ordinary shares in the capital of the Company, in satisfaction of (i) the consideration for the Proposed Acquisitions and (ii) the share consideration for all stock units in the capital of WBL Corporation Limited and all convertible bonds issued by WBL Corporation Limited tendered in acceptance of the Offer and the Convertible Bonds Offer (each as defined herein) respectively or otherwise acquired by the Company.**

Financial Adviser to the Company



**Standard Chartered Bank**

#### **IMPORTANT DATES AND TIMES**

Last Date and Time for Lodgement of Proxy Form	:	14 January 2013 at 8.30 a.m.
Date and Time of Extraordinary General Meeting	:	16 January 2013 at 8.30 a.m.
Place of Extraordinary General Meeting	:	Straits Ballroom 3, Level 2 Rendezvous Grand Hotel Singapore 9 Bras Basah Road Singapore 189559

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## CONTENTS

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	<b>Page</b>
<b>DEFINITIONS</b> .....	3
<b>EXPECTED TIMETABLE</b> .....	9
<b>LETTER TO SHAREHOLDERS</b>	
1. <b>INTRODUCTION</b> .....	10
2. <b>PROPOSED TRANSACTIONS</b> .....	11
3. <b>KEY TERMS OF THE PROPOSED ACQUISITIONS</b> .....	12
4. <b>KEY TERMS OF THE OFFER</b> .....	14
5. <b>TRANSACTIONS CONSIDERATION</b> .....	21
6. <b>RATIONALE FOR THE PROPOSED TRANSACTIONS</b> .....	22
7. <b>PROFORMA FINANCIAL EFFECTS</b> .....	23
8. <b>PROPOSED TRANSACTIONS AS A MAJOR TRANSACTION</b> .....	25
9. <b>PROPOSED ISSUANCE</b> .....	26
10. <b>DIRECTORS', SUBSTANTIAL SHAREHOLDERS' AND CONCERT PARTIES' INTERESTS</b> .....	26
11. <b>DIRECTORS' SERVICE CONTRACTS</b> .....	28
12. <b>DIRECTORS' RECOMMENDATIONS</b> .....	28
13. <b>EXTRAORDINARY GENERAL MEETING</b> .....	29
14. <b>ACTION TO BE TAKEN BY SHAREHOLDERS</b> .....	29
15. <b>INSPECTION OF DOCUMENTS</b> .....	29
16. <b>RESPONSIBILITY STATEMENTS</b> .....	29
<b>APPENDIX</b> .....	31
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	32
<b>PROXY FORM</b>	

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## DEFINITIONS

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

<b>“3Q 2012”</b>	:	The financial period of the STC Group for the nine months ended 30 September 2012
<b>“Aberdeen”</b>	:	Aberdeen Asset Management Asia Limited, in its capacity as fund manager and agent for its clients
<b>“Acquisitions Consideration”</b>	:	The aggregate consideration payable by the Company for the purchase of all the WBL Sale Stock Units pursuant to the terms of the Stock Purchase Agreements
<b>“ACRA”</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>“Announcement Date”</b>	:	26 November 2012, being the date on which the Company released the Announcements
<b>“Announcements”</b>	:	The separate announcements made by or on behalf of the Company on the Announcement Date in relation to (i) the Proposed Acquisitions and (ii) the Offer and the Convertible Bonds Offer
<b>“Board”</b>	:	The board of directors of the Company as at the Latest Practicable Date
<b>“Bonds Offer Cash Consideration”</b>	:	A cash sum equal to the Cash Consideration, multiplied by the number of WBL Conversion Stock Units into which each principal amount of WBL Convertible Bonds may be converted (rounded down to the nearest WBL Conversion Stock Unit) as adjusted in accordance with the terms of the Convertible Bonds Offer
<b>“Bonds Offer Share Consideration”</b>	:	Such number of New Shares equal to the ratio of 1.07 multiplied by the number of WBL Conversion Stock Units into which each principal amount of WBL Convertible Bonds may be converted (rounded down to the nearest WBL Conversion Stock Unit) as adjusted in accordance with the terms of the Convertible Bonds Offer
<b>“Business Day”</b>	:	A day on which commercial banks are open for business in Singapore and which is a trading day on the SGX-ST (excluding Saturdays, Sundays and public holidays)
<b>“Cash Consideration”</b>	:	S\$3.41 in cash, being the cash consideration payable for each WBL Offer Stock Unit validly tendered in acceptance of the Offer as adjusted in accordance with the terms of the Offer
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Choice Equities”</b>	:	Choice Equities Pte Ltd
<b>“Circular”</b>	:	This circular to Shareholders dated 31 December 2012
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	The Straits Trading Company Limited

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## DEFINITIONS

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- “Completion”** : The completion of the Proposed Acquisitions in accordance with the terms of the Stock Purchase Agreements
- “Conditions”** : The conditions which are defined in **paragraph 3.7** of this Circular and which must be satisfied on or before Completion
- “Consideration Shares”** : Up to 68,500,775 new Shares to be allotted and issued and credited as fully paid as consideration by the Company to the Vendors pursuant to the Proposed Acquisitions
- “Convertible Bonds Offer”** : The offer by or on behalf of the Company to the WBL Bondholders to acquire the WBL Convertible Bonds, in accordance with Rule 19 of the Code
- “Convertible Bonds Offer Price”** : The consideration for each in principal amount of the WBL Convertible Bonds tendered in acceptance of the Convertible Bonds Offer as adjusted in accordance with the terms of the Convertible Bonds Offer
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “Dissenting WBL Stockholders”** : All WBL Stockholders other than:
- (i) WBL Stockholders who have validly tendered their WBL Offer Stock Units in acceptance of the Offer;
  - (ii) WBL Stockholders who have divested all of their WBL Offer Stock Units to the Company during the Offer period other than through valid acceptances of the Offer; and
  - (iii) the Company, its related corporations or their respective nominees,
- and whose WBL Stock Units the Company would be entitled to exercise its right to compulsorily acquire, pursuant to Section 215(1) of the Companies Act
- “EGM”** : The extraordinary general meeting of the Company to be held on 16 January 2013, notice of which is set out on pages 32 to 34 of this Circular
- “Encumbrance”** : Any claim, charge, pledge, mortgage, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing
- “EPS”** : Earnings per Share
- “FY 2011”** : The financial year of the STC Group ended 31 December 2011
- “GE Holdings”** : Great Eastern Holdings Limited
- “GE Life”** : The Great Eastern Life Assurance Company Limited
- “Grange”** : Grange Investment Holdings Private Limited

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## DEFINITIONS

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<b>“Integrated Holdings”</b>	:	Integrated Holdings Private Limited
<b>“Kambau”</b>	:	Kambau Pte. Ltd.
<b>“Last Trading Date”</b>	:	23 November 2012, being the last full day of trading in the Shares and the WBL Stock Units on the SGX-ST preceding the Announcement Date
<b>“Latest Practicable Date”</b>	:	24 December 2012, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Long Stop Date”</b>	:	The date falling three months after the date of each Stock Purchase Agreement, or such later date as the Company and the Vendors may in writing agree
<b>“Mellford”</b>	:	Mellford Pte. Ltd.
<b>“MFLEX”</b>	:	Multi-Fineline Electronix, Inc.
<b>“NAV”</b>	:	Net asset value
<b>“New Shares”</b>	:	The new Shares which may be allotted and issued and credited as fully paid by the Company to the WBL Stockholders or WBL Bondholders, as consideration or in exchange for such WBL Offer Stock Units and/or WBL Convertible Bonds to be acquired by the Company pursuant to (i) acceptances of the Offer and/or the Convertible Bonds Offer, or (ii) acquisitions of WBL Offer Stock Units and/or WBL Convertible Bonds by the Company other than by way of acceptances under the Offer and/or the Convertible Bonds Offer
<b>“Notice of EGM”</b>	:	The notice of EGM which is set out on pages 32 to 34 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“OCBC”</b>	:	Oversea-Chinese Banking Corporation Limited
<b>“Offer”</b>	:	The possible mandatory conditional offer by or on behalf of the Company for all the WBL Offer Stock Units
<b>“Offer Price”</b>	:	The consideration for each WBL Offer Stock Unit tendered in acceptance of the Offer as adjusted in accordance with the terms of the Offer
<b>“Proposed Acquisitions”</b>	:	The proposed acquisitions by the Company of: <ul style="list-style-type: none"><li>(i) up to 20,285,942 WBL Sale Stock Units from Aberdeen; and</li><li>(ii) 43,733,475 WBL Sale Stock Units from the Third Avenue Vendors,</li></ul> upon the terms and conditions of the Stock Purchase Agreements

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## DEFINITIONS

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<b>“Proposed Issuance”</b>	:	The proposed allotment and issuance of the Consideration Shares and the New Shares
<b>“Proposed Transactions”</b>	:	The Proposed Acquisitions, the Offer and the Convertible Bonds Offer
<b>“Ratio”</b>	:	An agreed ratio of exchange of 1.07 Consideration Shares for every one WBL Sale Stock Unit
<b>“Securities Account”</b>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“SGX-ST Listing Approval”</b>	:	The in-principle approval from the SGX-ST for the listing and quotation of the Consideration Shares and the New Shares on the Main Board of the SGX-ST
<b>“Share Consideration”</b>	:	1.07 New Shares issued as the share consideration for every WBL Offer Stock Unit validly tendered in acceptance of the Offer as adjusted in accordance with the terms of the Offer
<b>“Shareholders”</b>	:	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
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SLP”</b>	:	Siong Lim Private Limited
<b>“Standard Chartered Bank”</b>	:	Standard Chartered Bank, the financial adviser to the Company in connection with the Proposed Transactions
<b>“STC Group”</b>	:	The Company and its subsidiaries
<b>“STC Group 3Q Results”</b>	:	The latest announced unaudited consolidated financial statements of the STC Group for 3Q 2012
<b>“STC Group FY 2011 Audited Accounts”</b>	:	The audited consolidated financial statements of the STC Group for FY 2011
<b>“Stock Purchase Agreements”</b>	:	The separate conditional stock purchase agreements entered into on the Announcement Date by the Company with (i) Aberdeen and (ii) the Third Avenue Vendors
<b>“TAM LLC”</b>	:	Third Avenue Management LLC
<b>“Tecity”</b>	:	Tecity Pte. Ltd.
<b>“Third Avenue Vendors”</b>	:	Certain funds and portfolios managed by TAM LLC

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## DEFINITIONS

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<b>“Transactions Consideration”</b>	:	The total consideration payable by the Company for the Proposed Transactions, which comprises the Acquisitions Consideration as well as the aggregate Offer Price and the aggregate Convertible Bonds Offer Price payable by the Company pursuant to the Offer and the Convertible Bonds Offer respectively assuming full acceptance of the Offer and the Convertible Bonds Offer
<b>“US\$”</b>	:	United States of America dollars
<b>“Vendors”</b>	:	Aberdeen and the Third Avenue Vendors
<b>“VWAP”</b>	:	Volume-weighted average price
<b>“WBL”</b>	:	WBL Corporation Limited
<b>“WBL Bondholders”</b>	:	The holders of the WBL Convertible Bonds
<b>“WBL Conversion Stock Units”</b>	:	All new WBL Stock Units unconditionally issued or to be issued pursuant to: <ul style="list-style-type: none"><li>(i) the valid conversion prior to the close of the Offer of any of the WBL Convertible Bonds; and</li><li>(ii) the valid exercise prior to the close of the Offer of any WBL Options</li></ul>
<b>“WBL Convertible Bonds”</b>	:	The 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 Company and parties acting in concert with the Company
<b>“WBL Group”</b>	:	WBL and its subsidiaries
<b>“WBL Group 3Q Results”</b>	:	The unaudited consolidated financial statements of the WBL Group for the nine months ended 30 June 2012
<b>“WBL Group FY 2012 Results”</b>	:	The unaudited consolidated financial statements of the WBL Group for the financial year ended 30 September 2012, as announced by WBL on 14 November 2012
<b>“WBL Offer Stock Units”</b>	:	All the WBL Stock Units other than those already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company
<b>“WBL Options”</b>	:	Any options granted under any employee share option scheme of WBL
<b>“WBL Sale Stock Units”</b>	:	Up to 64,019,417 WBL Stock Units which are to be sold in aggregate by the Vendors to the Company pursuant to the terms of the Stock Purchase Agreements
<b>“WBL Share Option Scheme”</b>	:	WBL Executives Share Option Scheme
<b>“WBL Stockholders”</b>	:	Holders of WBL Offer Stock Units
<b>“WBL Stock Units”</b>	:	Ordinary stock units in the capital of WBL

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## DEFINITIONS

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“S\$” or “cents” : Singapore dollars or Singapore cents, respectively

“%” : Per centum or percentage

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

The terms “**associate**” and “**associated company**” and “**controlling shareholder**” shall have the same meanings ascribed to them respectively in the Listing Manual.

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.

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

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

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

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.



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## EXPECTED TIMETABLE

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Last date and time for lodgement of the Proxy Form	:	14 January 2013 at 8.30 a.m.
Date and time of EGM	:	16 January 2013 at 8.30 a.m.
Place of EGM	:	Straits Ballroom 3, Level 2 Rendezvous Grand Hotel Singapore 9 Bras Basah Road Singapore 189559
Expected date of Completion	:	23 January 2013

**Shareholders should note that save for the last date and time for lodgement of the Proxy Form, and the date and time of the EGM, the above timetable is indicative only and may be subject to change. For event(s) listed above which are described as “expected”, please refer to future announcement(s) by or on behalf of the Company via SGXNET for the exact date(s) and time(s) of such event(s).**

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## LETTER TO SHAREHOLDERS

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### 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 (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 (Lead Independent Director)  
Mr Tham Kui Seng (Independent and Non-Executive Director)

**Registered Office:**

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

31 December 2012

To: The Shareholders of The Straits Trading Company Limited

Dear Sir/Madam,

**1. INTRODUCTION**

**1.1 EGM.** The Directors are convening the EGM to seek Shareholders' approval for:

- (i) the Proposed Transactions, which comprise of the following:
  - (a) the Proposed Acquisitions, being the proposed acquisitions by the Company of (1) up to 20,285,942 WBL Sale Stock Units from Aberdeen and (2) 43,733,475 WBL Sale Stock Units from the Third Avenue Vendors upon the terms and conditions of the Stock Purchase Agreements;
  - (b) the Offer, being the possible mandatory conditional offer by or on behalf of the Company for all the WBL Offer Stock Units; and
  - (c) the Convertible Bonds Offer, being the offer by or on behalf of the Company for the WBL Convertible Bonds,

**(Resolution 1)**; and

- (ii) the Proposed Issuance, being the proposed allotment and issuance of the Consideration Shares and the New Shares **(Resolution 2)**.

In this Circular, the Proposed Acquisitions, the Offer and the Convertible Bonds Offer shall collectively be referred to as the "**Proposed Transactions**".

Please refer to **paragraph 2** and **paragraph 9** of this Circular for further details on the Proposed Transactions and the Proposed Issuance respectively.

Shareholders should note that **Resolution 1** and **Resolution 2** are inter-conditional.

**1.2 Circular.** The purpose of this Circular is to provide Shareholders with information relating to the resolutions in respect of the Proposed Transactions and the Proposed Issuance to be proposed at the EGM.

**1.3 SGX-ST.** The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

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## LETTER TO SHAREHOLDERS

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### 2. PROPOSED TRANSACTIONS

**2.1 Background.** On 26 November 2012, the Company announced that it had entered into separate conditional stock purchase agreements dated 26 November 2012 in respect of the following:

- (i) the sale by Aberdeen and the purchase by the Company of up to 20,285,942 WBL Sale Stock Units, representing approximately 7.47% of the total number of issued WBL Stock Units<sup>1</sup>; and
- (ii) the sale by the Third Avenue Vendors and the purchase by the Company of 43,733,475 WBL Sale Stock Units held by the Third Avenue Vendors, representing approximately 16.11% of the total number of issued WBL Stock Units,

amounting in aggregate to up to 64,019,417 WBL Sale Stock Units, representing approximately 23.58% of the total number of issued WBL Stock Units.

**2.2 Requirement to make the Offer.** As at the Latest Practicable Date, the Company owns or controls 46,111,009 WBL Stock Units, representing approximately 16.98% of the total number of issued WBL Stock Units.

In the event Completion takes place, the Company will own or control an aggregate of up to 110,130,426 WBL Stock Units, representing up to 40.56% of the total number of issued WBL Stock Units. To the best of the Company's knowledge, in the event Completion takes place, the Company, together with parties acting in concert with the Company, will hold an aggregate of up to 120,860,886 WBL Stock Units, representing approximately 44.52% of the issued WBL Stock Units.

The Company will accordingly be required under Rule 14.1 of the Code to make the Offer for all the WBL Stock Units other than those already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company, such WBL Stock Units referred to as the "**WBL Offer Stock Units**". For the avoidance of doubt, the Offer, if and when made, will be extended to all new WBL Stock Units unconditionally issued or to be issued pursuant to (i) the valid conversion prior to the close of the Offer of any WBL Convertible Bonds, and (ii) the valid exercise prior to the close of the Offer of any WBL Options. For the purposes of the Offer, the expression "**WBL Offer Stock Units**" shall include all such new WBL Stock Units.

Based on the latest information available to the Company, there are no outstanding WBL Options granted under the WBL Share Option Scheme as at the Latest Practicable Date. Furthermore, pursuant to the rules of the WBL Share Option Scheme, the WBL Options (if any) are not transferable by the holders thereof. In view of the foregoing, the Company will not make an offer to acquire the WBL Options, although, for the avoidance of doubt, the Offer will be extended to all WBL Conversion Stock Units unconditionally issued or to be issued pursuant to the valid exercise of the WBL Options (if any) on or prior to the close of the Offer.

The Company also intends to make the Convertible Bonds Offer to the WBL Bondholders to acquire the WBL Convertible Bonds, in accordance with Rule 19 of the Code.

**2.3 Approvals Required.** As the acquisition by the Company of the WBL Sale Stock Units pursuant to the Proposed Acquisitions and the subsequent acquisition by the Company of (i) the WBL Offer Stock Units pursuant to the Offer and (ii) the WBL Convertible Bonds pursuant to the Convertible Bonds Offer, will constitute a major transaction under Chapter 10 of the Listing Manual, the Proposed Transactions will be subject to the approval of Shareholders at the EGM.

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<sup>1</sup> For the purposes of this Circular, based on information extracted from ACRA as at the Latest Practicable Date, the total number of issued WBL Stock Units comprise 271,499,751 WBL Stock Units.

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## LETTER TO SHAREHOLDERS

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Separate announcements in relation to the Proposed Acquisitions and the Offer were made by the Company and by Standard Chartered Bank, on behalf of the Company, respectively on the Announcement Date. The Announcements also state that on the satisfaction or waiver of the Conditions, the Company will make the Offer in accordance with Rule 14.1 of the Code and subject to the terms and conditions set out in the offer document to be issued by or on behalf of the Company.

**As such, the Offer will not be made unless and until satisfaction or waiver of the Conditions has occurred. Accordingly, all references to the Offer in this Circular refer to the possible Offer which will only be made if and when the Conditions are satisfied or waived.**

**Even if the Offer does not become or is not declared unconditional as to acceptances by the closing date of the Offer, as Completion would have occurred, the Company will, for the avoidance of doubt, still own or control an aggregate of up to 110,130,426 WBL Stock Units, representing up to 40.56% of the total number of issued WBL Stock Units. This is excluding any WBL Stock Units which the Company may acquire during the Offer period other than through acceptances of the Offer (e.g. by way of on-market or off-market purchases).**

**Shareholders should exercise caution and seek appropriate independent advice when dealing in the Shares.**

**2.4 Transactions Consideration.** Assuming Completion occurs and full acceptance of the Offer and the Convertible Bonds Offer, the Transactions Consideration, being the total consideration payable by the Company for the Proposed Transactions, would be as follows:

- (i) in the event that all WBL Stockholders and all WBL Bondholders elect only the Share Consideration and the Bonds Offer Share Consideration respectively, the Transactions Consideration will be S\$869,580,425; and
- (ii) in the event that all WBL Stockholders and all WBL Bondholders elect only the Cash Consideration and the Bonds Offer Cash Consideration respectively, the Transactions Consideration will be S\$795,213,476.

Please refer to **paragraph 5** of this Circular for further details on the Transactions Consideration.

### **3. KEY TERMS OF THE PROPOSED ACQUISITIONS**

**3.1 Acquisitions Consideration.** The Acquisitions Consideration, being the aggregate consideration payable by the Company for the purchase of all the WBL Sale Stock Units pursuant to the terms of the Stock Purchase Agreements, shall comprise up to 68,500,775 Consideration Shares to be allotted and issued and credited as fully paid by the Company to the Vendors. The Company and the Vendors have agreed that the number of Consideration Shares is determined by reference to an agreed ratio of exchange of 1.07 Consideration Shares for every one WBL Sale Stock Unit. The aggregate open market value of the Consideration Shares based on the VWAP of the Shares of S\$3.64 as transacted on the SGX-ST on the Latest Practicable Date is S\$249,342,821.

The Consideration Shares will rank *pari passu* in all respects with the existing Shares as at the date of their issue.

The Acquisitions Consideration was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, *inter alia*, the earnings, financial position, share price performance, management experience, track record as well as the prospects of WBL in its various businesses.

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## LETTER TO SHAREHOLDERS

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**3.2 Information on the Vendors.** Details of the Vendors are set out below. To the best of the Company's knowledge, both Aberdeen and TAM LLC do not have any relationship with the Company's controlling shareholders or management.

(i) **Aberdeen**

Aberdeen is the Singapore-based Asia Pacific headquarters of the Aberdeen Group, a specialist asset management company listed on the London Stock Exchange. Set up in 1992, it manages a total of US\$112.2 billion (as of 30 September 2012). The Aberdeen Group also has regional offices in Bangkok, Hong Kong, Kuala Lumpur, Sydney, Taipei and Tokyo. Clients are mainly institutions such as central banks, public and corporate pension schemes and private banks around the world, investing through segregated and pooled funds.

(ii) **Third Avenue Vendors**

The Third Avenue Vendors are funds and portfolios managed by TAM LLC. Through its predecessor entities, TAM LLC was founded in 1986 and is a U.S.-registered investment adviser based in New York. Third Avenue's product offerings include publicly-traded registered mutual funds (the Third Avenue family of funds) and separately managed accounts. TAM LLC also manages a large sub-advisory business as well as certain private funds. TAM LLC had approximately US\$12 billion of funds under management as of 31 October 2012. TAM LLC's clients include private individual investors, institutional investors and investment professionals.

**3.3 Book Value.** Based on the WBL Group FY 2012 Results, the book value (excluding non-controlling interests) of the Proposed Acquisitions and the Proposed Transactions is approximately S\$222.6 million and S\$753.3 million respectively.

**3.4 NTA.** Based on the WBL Group FY 2012 Results, the NTA value (excluding non-controlling interests) of the Proposed Acquisitions and the Proposed Transactions is approximately S\$208.8 million and S\$706.6 million respectively.

**3.5 Open Market Value.** Based on the VWAP of the WBL Stock Units transacted on the SGX-ST:

- (i) on the Last Trading Date, the open market value of the Proposed Acquisitions and the Proposed Transactions is approximately S\$224,253,822 and S\$786,403,708 respectively; and
- (ii) on the Latest Practicable Date<sup>2</sup>, the open market value of the Proposed Acquisitions and the Proposed Transactions is approximately S\$254,656,437 and S\$893,018,296 respectively.

**3.6 Profits.** Based on the WBL Group FY 2012 Results, the net profits attributable to the Proposed Acquisitions and Proposed Transactions is approximately S\$25.8 million and S\$87.3 million respectively.

**3.7 Conditions.** The Proposed Acquisitions are conditional upon satisfaction of the following conditions prior to Completion, or their satisfaction subject only to Completion:

- (i) the passing at a general meeting of the Company (or any adjournment thereof) of resolutions to approve;
  - (a) the Proposed Transactions;
  - (b) the giving of authority to the Directors to allot and issue the Consideration Shares; and
  - (c) the giving of authority to the Directors to allot and issue the New Shares;

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<sup>2</sup> The VWAP of the WBL Stock Units transacted on the SGX-ST on the Latest Practicable Date is based on the VWAP of the WBL Stock Units transacted on the SGX-ST on 21 December 2012 as there was no trading in the WBL Stock Units on the Latest Practicable Date.

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## LETTER TO SHAREHOLDERS

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- (ii) the SGX-ST Listing Approval having been obtained and, where such approval is subject to any condition, such condition being complied with on or prior to Completion; and
  - (iii) completion of the other Stock Purchase Agreement in accordance with its terms,
- (collectively, the “**Conditions**”).

**3.8 Long Stop Date.** If the Conditions are not satisfied on or before the date falling three months after the date of each Stock Purchase Agreement (or such later date as the Company and the Vendors may in writing agree), either of the Company or the Vendors may, in its or their sole discretion, terminate the relevant Stock Purchase Agreement (other than certain surviving clauses) and none of the Company nor the Vendors shall have any claim against the others for costs, damages, compensation or otherwise, save for antecedent breaches.

**3.9 Termination Rights.** Each of the Stock Purchase Agreements may, *inter alia*, be terminated:

- (i) by either of the Company or the Vendors, in its sole discretion, if the Conditions are not satisfied on or before the Long Stop Date;
- (ii) by the Vendors, if obligations of the Company on Completion are not fully complied with, or by the Company, if obligations of the Vendors on Completion are not fully complied with, by or on the date of Completion; and/or
- (iii) by either of the Company or the Vendors, if there shall have come to the notice of the Company or the Vendors (as the case may be) any material breach of, or any event rendering untrue, incorrect or misleading in any material respect, any representation or warranty given by the Company or a Vendor (as the case may be) under the relevant Stock Purchase Agreement or any of the covenants, undertakings or obligations of the Company or a Vendor (as the case may be) under the relevant Stock Purchase Agreement has been breached in any material aspect.

**3.10 Completion.** It is expected that Completion will take place five Business Days after the last of the Conditions which are described in **paragraphs 3.7(i)** and **3.7(ii)** of this Circular have been satisfied or waived.

## 4. KEY TERMS OF THE OFFER

**4.1 Offer Terms.** The Offer, if and when made, will be made for all the WBL Offer Stock Units in accordance with Section 139 of the SFA and the Code.

Based on the latest information available to the Company, there are outstanding WBL Convertible Bonds which are convertible into ordinary shares in the capital of WBL, which, upon their issue, will each be converted into one WBL Stock Unit, representing approximately 3.50%<sup>3</sup> of the maximum potential issued stock capital of WBL (as defined in **paragraph 4.6** of this Circular).

The Offer, if and when made, will also be extended to all WBL Conversion Stock Units, being new WBL Stock Units unconditionally issued or to be issued pursuant to:

- (i) the valid conversion prior to the close of the Offer of any of the WBL Convertible Bonds; and
- (ii) the valid exercise prior to the close of the Offer of any WBL Options.

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<sup>3</sup> WBL Conversion Stock Units have been adjusted to reflect an increase in the total number of issued WBL Stock Units since the release of the WBL Group FY 2012 Results. Based on the WBL Group FY 2012 Results, as at 30 September 2012, there were 10,440,035 WBL Conversion Stock Units and the total number of issued WBL Stock Units excluding treasury WBL Stock Units was 270,901,986. The WBL Conversion Stock Units have been adjusted to 9,842,270 to reflect the increase in the total number of issued WBL Stock Units since the release of the WBL Group FY 2012 Results to 271,499,751 as at the Latest Practicable Date, assuming such increase is entirely due to conversion of WBL Convertible Bonds.

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## LETTER TO SHAREHOLDERS

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**4.2 Offer Price.** The Offer Price will, at the option of a WBL Stockholder who validly accepts the Offer, be either in New Shares or in cash as set out below.

For each WBL Offer Stock Unit:

- (i) 1.07 New Shares issued as the share consideration for every WBL Offer Stock Unit validly tendered in acceptance of the Offer as adjusted in accordance with the terms of the Offer, referred to as the “**Share Consideration**”; **OR**
- (ii) S\$3.41 in cash, being the cash consideration payable for every WBL Offer Stock Unit validly tendered in acceptance of the Offer as adjusted in accordance with the terms of the Offer, referred to as the “**Cash Consideration**”.

To illustrate, if a WBL Offer Stock Unit is tendered in acceptance of the Offer and an election is made for the Share Consideration, and the Offer becomes or is declared unconditional, the WBL Stockholder who elects the Share Consideration will only receive the Share Consideration in respect of that WBL Offer Stock Unit.

Fractions of a New Share will not be issued to any WBL Stockholder who accepts the Offer and elects to receive the Share Consideration and will be disregarded.

Conversely, if a WBL Offer Stock Unit is tendered in acceptance of the Offer and an election is made for the Cash Consideration, and the Offer becomes or is declared unconditional, the WBL Stockholder who elects the Cash Consideration will only receive the Cash Consideration in respect of that WBL Offer Stock Unit.

**4.3 Value of the Share Consideration.** For illustrative purposes, based on:

- (i) the VWAP of the Shares of S\$3.1833 as transacted on the SGX-ST on the Last Trading Date, the value of the Share Consideration is S\$546,625,485<sup>4</sup>; and
- (ii) the VWAP of the Shares of S\$3.64 as transacted on the SGX-ST on the Latest Practicable Date, the value of the Share Consideration is S\$625,041,916<sup>4</sup>.

**4.4 No Encumbrances.** The WBL Offer Stock Units will be acquired (i) fully paid, (ii) free from any Encumbrance and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions or returns of capital (if any) declared, paid or made by WBL on or after the Announcement Date. **If any dividend, right, other distribution or return of capital is declared, paid or made by WBL on or after the Announcement Date to a WBL Stockholder who accepts or has accepted the Offer, the Company reserves the right to reduce the Offer Price payable to such accepting WBL Stockholder by the amount of such dividend, right, other distribution or return of capital.**

**4.5 Revision of Offer.** The Company reserves the right to revise the terms of the Offer in accordance with the Code.

**4.6 Minimum Acceptance Condition.** The Offer, if and when made, will be subject to the Company having received, by the close of the Offer, valid acceptances in respect of such number of WBL Offer Stock Units which, when taken together with WBL Stock Units owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Company or parties acting or deemed to be acting in concert with the Company, will result in the Company and parties acting or deemed to be acting in concert with the Company holding such number of WBL Stock Units carrying more than 50% of the voting rights attributable to the issued WBL Stock Units as at the close of the Offer.

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<sup>4</sup> This is based on the premise that the Company will need to issue an aggregate of 171,714,812 New Shares to satisfy the Share Consideration, assuming that (i) all outstanding WBL Convertible Bonds and WBL Options are validly converted or exercised (as the case may be) into WBL Conversion Stock Units prior to the close of the Offer and all the WBL Conversion Stock Units are tendered in acceptance of the Offer, (ii) full acceptance of the Offer and (iii) all the accepting WBL Stockholders elect to receive the Share Consideration only.

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## LETTER TO SHAREHOLDERS

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Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Company has received valid acceptances in respect of such number of WBL Offer Stock Units which, when taken together with WBL Stock Units owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Company or parties acting or deemed to be acting in concert with the Company, will result in the Company and parties acting or deemed to be acting in concert with the Company holding such number of WBL Stock Units carrying more than 50% of the maximum potential issued stock capital of WBL.

For the purposes of the Offer, “**maximum potential issued stock capital of WBL**” means the total number of WBL Stock Units which would be in issue if all the outstanding WBL Convertible Bonds and the WBL Options are validly converted or exercised (as the case may be) into WBL Conversion Stock Units as at the date of the relevant declaration.

**4.7 Convertible Bonds Offer.** In addition to extending the Offer, if and when made, to all WBL Conversion Stock Units unconditionally issued or to be issued pursuant to the conversion prior to the close of the Offer of any WBL Convertible Bonds, the Company also intends to make the Convertible Bonds Offer to the WBL Bondholders, in accordance with Rule 19 of the Code.

**4.8 Conditionality on Offer.** The Convertible Bonds Offer will be subject to and conditional upon the Offer, if and when made, becoming or being declared unconditional in all respects and the WBL Convertible Bonds continuing to be transferable and convertible into WBL Conversion Stock Units.

**If the Offer lapses or is withdrawn or if the relevant WBL Convertible Bonds cease to be convertible into WBL Conversion Stock Units, the Convertible Bonds Offer shall lapse accordingly.**

**4.9 Convertible Bonds Offer Price.** The Convertible Bonds Offer Price will, at the option of a WBL Bondholder who validly accepts the Convertible Bonds Offer, be either in New Shares or in cash as follows:

- (i) such number of New Shares equal to the ratio of 1.07 multiplied by the number of WBL Conversion Stock Units into which such principal amount of WBL Convertible Bonds may be converted (rounded down to the nearest WBL Conversion Stock Unit) as adjusted in accordance with the terms of the Convertible Bonds Offer, referred to as the “**Bonds Offer Share Consideration**”; **OR**
- (ii) a cash sum equal to the Cash Consideration, multiplied by the number of WBL Conversion Stock Units into which such principal amount of WBL Convertible Bonds may be converted (rounded down to the nearest WBL Conversion Stock Unit) as adjusted in accordance with the terms of the Convertible Bonds Offer, referred to as the “**Bonds Offer Cash Consideration**”.

To illustrate, if a WBL Convertible Bond is tendered in acceptance of the Convertible Bonds Offer and an election is made for the Bonds Offer Share Consideration, and the Offer becomes or is declared unconditional, the WBL Bondholder who elects the Bonds Offer Share Consideration will only receive the Bonds Offer Share Consideration in respect of that WBL Convertible Bond.

Fractions of a New Share will not be issued to any WBL Bondholder who accepts the Convertible Bonds Offer and elects to receive the Bonds Offer Share Consideration and will be disregarded.

Conversely, if a WBL Convertible Bond is tendered in acceptance of the Convertible Bonds Offer and an election is made for the Bonds Offer Cash Consideration, and the Offer becomes or is declared unconditional, the WBL Bondholder who elects the Bonds Offer Cash Consideration will only receive the Bonds Offer Cash Consideration in respect of that WBL Convertible Bond.



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## LETTER TO SHAREHOLDERS

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If any interest, payment, right or other distribution is declared, paid or made by WBL or any right arises (for any reason whatsoever) on or after the Announcement Date for the benefit of a WBL Bondholder who accepts or has accepted the Convertible Bonds Offer, the Company reserves the right to reduce the Convertible Bonds Offer Price payable to such accepting WBL Bondholder by the amount of such interest, payment, right or other distribution.

**4.10 Value of the Bonds Offer Share Consideration.** For illustrative purposes, assuming the Offer becomes or is declared unconditional in all respects, full acceptance of the Convertible Bonds Offer by way of the Bonds Offer Share Consideration only and based on:

- (i) the VWAP of the Shares of S\$3.1833 as transacted on the SGX-ST on the Last Trading Date, the value of the Bonds Offer Share Consideration is S\$31,331,226<sup>5</sup>; and
- (ii) the VWAP of the Shares of S\$3.64 as transacted on the SGX-ST on the Latest Practicable Date, the value of the Bonds Offer Share Consideration is S\$35,825,863<sup>5</sup>.

**4.11 Offer and Convertible Bonds Offer Mutually Exclusive.** For the avoidance of doubt, whilst the Convertible Bonds Offer is conditional upon the Offer becoming or being declared unconditional, the Offer will not be conditional upon acceptances received in relation to the Convertible Bonds Offer. The Offer and the Convertible Bonds Offer are separate and are mutually exclusive. The Convertible Bonds Offer does not form part of the Offer and *vice versa*.

Without prejudice to the foregoing, if a WBL Bondholder converts his WBL Convertible Bonds in order to accept the Offer in respect of the WBL Conversion Stock Units arising pursuant to such conversion, he may not accept the Convertible Bonds Offer in respect of such WBL Convertible Bonds. Conversely, if a WBL Bondholder wishes to accept the Convertible Bonds Offer in respect of his WBL Convertible Bonds, he may not convert those WBL Convertible Bonds in order to accept the Offer in respect of such WBL Conversion Stock Units arising pursuant to such conversion.

**4.12 Share Consideration for WBL Offer Stock Units.** Assuming (i) Completion occurs, (ii) all outstanding WBL Convertible Bonds and WBL Options are validly converted or exercised (as the case may be) into WBL Conversion Stock Units prior to the close of the Offer and all the WBL Conversion Stock Units are tendered in acceptance of the Offer, (iii) full acceptance of the Offer and (iv) all the accepting WBL Stockholders elect to receive the Share Consideration only, the Company will need to issue approximately 171,714,812 New Shares<sup>6</sup>, representing approximately 30.33% of the enlarged ordinary share capital of the Company<sup>7</sup>.

The New Shares will be issued and credited as fully paid and free from all Encumbrances and will rank *pari passu* in all respects with the existing Shares as at the date of their issue.

**4.13 Acquisitions.** It is proposed that, for flexibility, the approval being sought from Shareholders for the Offer and the Convertible Bonds Offer will also grant authority to the Directors to acquire, on behalf of the Company, WBL Offer Stock Units and/or WBL Convertible Bonds whether pursuant to the Offer and/or the Convertible Bonds Offer or otherwise (e.g. by way of on-market or off-market purchases) during the Offer period or thereafter, in such manner and on such terms and conditions (including any revised Offer Price or revised Convertible Bonds Offer Price) as the Directors may consider necessary, desirable or expedient or in the interests of the Company. This means that it is possible that the Company will be able to acquire up to a maximum of all WBL Stock Units (including the WBL Conversion Stock Units) and WBL Convertible Bonds not already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company such that the Company and parties acting in concert with the Company could hold up to 100% of the issued WBL Stock Units and WBL Convertible Bonds through acquisitions other than by way of acceptances under the Offer and the Convertible Bonds Offer.

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<sup>5</sup> This is based on 9,842,270 WBL Conversion Stock Units. Please refer to footnote 3 above for details on the assumptions and calculation of the WBL Conversion Stock Units.

<sup>6</sup> This excludes the Consideration Shares.

<sup>7</sup> For the purposes of this Circular, the enlarged ordinary share capital of the Company comprises 566,112,587 Shares.

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## LETTER TO SHAREHOLDERS

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In this connection, Shareholders should note that the New Shares may also be issued to satisfy the consideration or in exchange for any WBL Offer Stock Units and/or WBL Convertible Bonds acquired by the Company other than by way of acceptances under the Offer and/or the Convertible Bonds Offer (e.g. by way of on-market or off-market purchases).

### 4.14 Trading Suspension and Listing Status.

- (i) **The Company.** As at the Latest Practicable Date, the free float of the Company is 11.01%.

If and when Completion occurs, and on the basis that all the Consideration Shares are issued to the Vendors, the Company's free float will decrease from 11.01% to 9.10%. The Company may satisfy the minimum free float requirement in the event that a sufficient number of WBL Stockholders and WBL Bondholders validly tender their WBL Offer Stock Units and WBL Convertible Bonds (as the case may be) in acceptance of the Offer and the Convertible Bonds Offer and elect to receive the Share Consideration or the Bonds Offer Share Consideration (as the case may be).

However, in the event that the free float of the Company remains below 10% after the close of the Offer because:

- (a) an insufficient number of WBL Offer Stock Units and WBL Convertible Bonds are tendered in acceptance of the Offer and the Convertible Bonds Offer (as the case may be) for the Share Consideration and the Bonds Offer Share Consideration (as the case may be); OR
- (b) the Offer does not become or is not declared unconditional by the closing date and all acceptances received by the Company pursuant to the Offer and the Convertible Bonds Offer must be returned,

the Company will take steps to restore the free float to at least 10%.

- (ii) **WBL.** Under Rule 1105 of the Listing Manual, upon the announcement by the Company that acceptances have been received that bring the holdings of the WBL Stock Units owned by the Company and parties acting in concert with the Company to above 90% of the total number of issued WBL Stock Units (excluding WBL Stock Units held in treasury), the SGX-ST may suspend the trading of the WBL Stock Units and the WBL Convertible Bonds on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of issued WBL Stock Units (excluding WBL Stock Units held in treasury) are held by at least 500 WBL Stockholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Company succeeds in garnering acceptances exceeding 90% of all the WBL Stock Units (excluding WBL Stock Units held in treasury), thus causing the percentage of the total number of WBL Stock Units (excluding WBL Stock Units held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the WBL Stock Units and the WBL Convertible Bonds at the close of the Offer.

Shareholders are advised to note that under Rule 724 of the Listing Manual, if the percentage of the total number of issued WBL Stock Units (excluding WBL Stock Units held in treasury) held in public hands falls below 10%, WBL must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the WBL Stock Units and the WBL Convertible Bonds on the SGX-ST. Rule 724 of the Listing Manual further states that the SGX-ST may allow WBL a period of three months, or such longer period as the SGX-ST may agree, for the percentage of the total number of issued WBL Stock Units (excluding WBL Stock Units held in treasury) held by members of the public to be raised to at least 10%, failing which WBL may be de-listed from the SGX-ST.

To the best of the Company's knowledge and based on information available to the Company, the free float of WBL was 29.57% as at 22 November 2012.

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## LETTER TO SHAREHOLDERS

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**4.15 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, if the Company receives valid acceptances pursuant to the Offer or acquires the WBL Offer Stock Units during the Offer period other than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued WBL Stock Units as at the final closing date of the Offer (other than those already held by the Company, its related corporations or their respective nominees as at the date of the Offer), the Company would be entitled to exercise the right to compulsorily acquire all the WBL Stock Units of the Dissenting WBL Stockholders on the same terms as those offered under the Offer.

Dissenting WBL Stockholders have the right under and subject to Section 215(3) of the Companies Act, to require the Company to acquire their WBL Stock Units in the event that the Company, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of WBL Stock Units which, together with the WBL Stock Units held by the Company, its related corporations or their respective nominees, comprise 90% or more of the total number of issued WBL Stock Units as at the final closing date of the Offer. **Dissenting WBL Stockholders who wish to exercise such right are advised to seek their own independent legal advice.** Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude WBL Stock Units held by the Company, its related corporations or their respective nominees.

It is the present intention of the Company to maintain the listing status of WBL on the SGX-ST. However, in the event the SGX-ST suspends the listing of the WBL Stock Units in the manner described in **paragraph 4.14(ii)** above or in the event that the Company is entitled to exercise the right of compulsory acquisition in the manner as described in this **paragraph 4.15**, the Company will reassess its position in respect of its shareholdings in WBL. Accordingly, there is no assurance that the Company will preserve the listing status of WBL on the SGX-ST if the free float of WBL is less than 10% or that it will not exercise the right of compulsory acquisition under Section 215(1) of the Companies Act.

### 4.16 Value Comparisons.

- (i) **Cash Consideration.** The Cash Consideration represents the following premia / discount over the historical traded prices of the WBL Stock Units:

	<b>Benchmark Price</b> <b>(\$)</b>	<b>Premium / Discount</b> <b>(Cash Consideration)</b> <b>(%)</b>
Last traded price per WBL Stock Unit as quoted on the SGX-ST on the Last Trading Date	3.51	-2.8
VWAP of the WBL Stock Units as transacted on the SGX-ST for the one-month period up to and including the Last Trading Date	3.53	-3.4
VWAP of the WBL Stock Units as transacted on the SGX-ST for the three-month period up to and including the Last Trading Date	3.57	-4.5
VWAP of the WBL Stock Units as transacted on the SGX-ST for the six-month period up to and including the Last Trading Date	3.48	-2.0
VWAP of the WBL Stock Units as transacted on the SGX-ST for the one-year period up to and including the Last Trading Date	3.11	9.6

**Notes:**

- (1) The figures set out in the above table are based on data extracted from Bloomberg on the Last Trading Date.  
(2) Computed based on the WBL Stock Unit prices which were rounded to the nearest two decimal places.

## LETTER TO SHAREHOLDERS

- (ii) **Share Consideration.** Based on (a) the VWAP of the Shares of S\$3.1833 as transacted on the SGX-ST on the Last Trading Date and (b) the VWAP of the Shares of S\$3.64 as transacted on the SGX-ST on the Latest Practicable Date, the Share Consideration represents the following premia / discount over the historical traded prices of the WBL Stock Units:

	Benchmark Price (S\$)	Premium / Discount (Share Consideration based on VWAP of Shares as at the Last Trading Date) (%)	Premium (Share Consideration based on VWAP of Shares as at the Latest Practicable Date) (%)
Last traded price per WBL Stock Unit as quoted on the SGX-ST on the Last Trading Date	3.51	-2.8	10.8
VWAP of the WBL Stock Units as transacted on the SGX-ST for the one-month period up to and including the Last Trading Date	3.53	-3.4	10.2
VWAP of the WBL Stock Units as transacted on the SGX-ST for the three-month period up to and including the Last Trading Date	3.57	-4.5	9.0
VWAP of the WBL Stock Units as transacted on the SGX-ST for the six-month period up to and including the Last Trading Date	3.48	-2.0	11.8
VWAP of the WBL Stock Units as transacted on the SGX-ST for the one-year period up to and including the Last Trading Date	3.11	9.6	25.1

**Notes:**

- (1) The figures set out in the above table are based on data extracted from Bloomberg on the Last Trading Date and on the Latest Practicable Date.
- (2) Computed based on the implied value of the Share Consideration and WBL Stock Unit prices, which were rounded to the nearest two decimal places.

**4.17 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 in key growth industries.

- (i) **Technology.** WBL has controlling interests in MFLEX and MFS Technology Ltd which manufacture flexible printed circuits for high growth segments such as mobile phones and personal digital assistants.
- (ii) **Property.** Well established property development business in China with a focus on Chengdu, Chongqing, Suzhou, Shanghai and Shenyang provinces.
- (iii) **Automotive.** Leading automotive distributor in Singapore, Malaysia, Hong Kong, Indonesia and Thailand representing 11 premium brands.
- (iv) **Others.** Portfolio of other businesses in engineering and distribution, mining, property management and production of agro technology.

**4.18 Formal Offer Announcement.** A firm intention on the part of the Company to make the Offer will be announced by or on behalf of the Company immediately upon the Conditions being satisfied or waived.

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## LETTER TO SHAREHOLDERS

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However, in the event that the Conditions are not satisfied or waived by the Long Stop Date, the Offer will not be made and an announcement confirming that fact will be issued by or on behalf of the Company as soon as reasonably practicable.

### 5. TRANSACTIONS CONSIDERATION

**5.1 Pricing Factors.** The Transactions Consideration, which comprises the Acquisitions Consideration as well as the aggregate Offer Price and the aggregate Convertible Bonds Offer Price payable by the Company pursuant to the Offer and the Convertible Bonds Offer respectively, was determined on the following bases and taking into account the following factors:

- (i) **Proposed Acquisitions.** The Acquisitions Consideration was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, *inter alia*, the earnings, financial position, share price performance, management experience, track record as well as the prospects of WBL in its various businesses;
- (ii) **Possible Offer.** The Offer Price was determined on the basis of the following:
  - (a) in respect of the Cash Consideration, by reference to the VWAP of the Shares transacted on the SGX-ST on the Last Trading Date; and
  - (b) in respect of the Share Consideration, by reference to the Ratio; and
- (iii) **Convertible Bonds Offer.** The Convertible Bonds Offer Price was determined on the basis of the "see-through price" in accordance with Rule 19 of the Code and, in respect of the Bonds Offer Cash Consideration, by reference to the Cash Consideration and, in respect of the Bonds Offer Share Consideration, by reference to the Ratio.

### 5.2 Value of the Transactions Consideration.

- (i) **Market Value and NAV of Shares.** The open market value of each Share is approximately S\$3.1833, based on the VWAP of the Shares transacted on the SGX-ST on the Last Trading Date.

The NAV represented by each Share is approximately S\$3.62, based on the STC Group 3Q Results.

- (ii) **Aggregate Values.** Based on the NAV per Share of S\$3.62, the aggregate values of the Acquisitions Consideration and the Transactions Consideration<sup>8</sup> are deemed, for the purposes of Chapter 10 of the Listing Manual, to be approximately S\$247,972,806 and S\$869,580,425 respectively.

Assuming full acceptance of the Offer by way of the Cash Consideration only and full acceptance of the Convertible Bonds Offer by way of the Bonds Offer Cash Consideration only, the aggregate value of the Transactions Consideration is S\$795,213,476.

**5.3 Satisfaction.** The Acquisitions Consideration will be satisfied by the allotment and issue of the Consideration Shares and the Share Consideration and the Bonds Offer Share Consideration will be satisfied by the allotment and issue of the New Shares. It is expected that the Cash Consideration and the Bonds Offer Cash Consideration will be funded by way of a combination of internal funds and bank financing.

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<sup>8</sup> This is based on the premise that the Company will need to issue an aggregate of 171,714,812 New Shares to satisfy the Share Consideration, assuming that (i) all outstanding WBL Convertible Bonds and WBL Options are validly converted or exercised (as the case may be) into WBL Conversion Stock Units prior to the close of the Offer and all the WBL Conversion Stock Units are tendered in acceptance of the Offer, (ii) full acceptance of the Offer and (iii) all the accepting WBL Stockholders elect to receive the Share Consideration only.

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## LETTER TO SHAREHOLDERS

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### 6. RATIONALE FOR THE PROPOSED TRANSACTIONS

The Company believes that the Proposed Transactions are beneficial for the following reasons:

- 6.1 Potential for Continued Growth.** The Company sees potential for continued growth in the various businesses and subsidiaries of WBL. The key businesses and subsidiaries of WBL such as MFLEX, the property development business and the automotive distribution business are among the leading businesses in their respective geographies or industries.
- 6.2 Reasonable Price.** The Proposed Acquisitions are being done at a reasonable price.
- 6.3 Benefits of being the Largest Stockholder.** The Company will become the largest WBL Stockholder following Completion, thus transforming its existing minority stake in WBL into a strategic stake. The Company may, together with parties acting in concert with the Company, also emerge as the majority WBL Stockholder should the Offer become or be declared unconditional as to acceptances. The Company believes that even in the case where the Offer does not become or is not declared to be unconditional as to acceptances, the Company as the largest WBL Stockholder will be well positioned to work closely with the board of directors of WBL as well as the other WBL Stockholders to pursue business opportunities and strategies which may be beneficial for all WBL Stockholders in the long term. The Company has an established track record in transforming and repositioning businesses as evidenced by the successful transformation of its own portfolio of businesses.
- 6.4 Broadening of the Company's Shareholder Base.** The Proposed Acquisitions will lead to the broadening of the shareholder base of the Company through the introduction of the Vendors who are well respected, long term institutional investors.

The shareholder base of the Company will be further broadened if any of the WBL Stockholders elect the Share Consideration in the Offer and any of the WBL Bondholders elect the Bonds Offer Share Consideration and the Offer becomes or is declared unconditional as to acceptances.

- 6.5 Accounting Treatment.** In the event the Company holds a greater than 50% stake in WBL at the close of the Offer, the Company will be able to account for WBL as a subsidiary in its financials. However, following Completion, in the event the Offer does not become or is not declared unconditional as to acceptances, the Company will be able to account for the financials of WBL in its own financials as WBL would be treated as an associate of the Company for financial accounting purposes.
- 6.6 Minimal Cash Outlay.** The Proposed Acquisitions are being done by way of issuing the Consideration Shares and do not require any cash outlay from the Company. While the Cash Consideration option and the Bonds Offer Cash Consideration option are provided in the Offer and the Convertible Bonds Offer respectively, structuring the Proposed Acquisitions by way of issuing the Consideration Shares enables the Company to maintain a prudent level of gearing even if the Offer becomes or is declared unconditional as to acceptances and the WBL Stockholders and WBL Bondholders accept the Cash Consideration option and the Bonds Offer Cash Consideration option respectively.

**As outlined above, the Proposed Acquisitions are beneficial to the Company and are in line with its business strategy of transforming its portfolio of assets into independent growth engines. The Offer will be undertaken in accordance with the provisions of the Code on satisfaction or waiver of the Conditions. The Company would also welcome all WBL Stockholders to continue as WBL Stockholders should they choose not to accept the Offer.**

## LETTER TO SHAREHOLDERS

### 7. PROFORMA FINANCIAL EFFECTS

**7.1 Assumptions.** The proforma financial effects of the Proposed Acquisitions and the Proposed Transactions on the EPS, the NTA per Share and the share capital of the Company are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the STC Group after completion of the Proposed Acquisitions and the Proposed Transactions. The proforma financial effects have been computed based on the STC Group FY 2011 Audited Accounts and the STC Group 3Q Results.

**7.2 NTA – FY 2011.** For purely illustrative purposes only, assuming the Proposed Acquisitions and the Proposed Transactions had been effected on 31 December 2011, being the end of FY 2011, the effect of the Proposed Acquisitions and the Proposed Transactions on the NTA per Share for FY 2011 would be as follows:

	Before the Proposed Transactions <sup>(1)</sup>	After the Proposed Acquisitions <sup>(2)</sup>	After the Proposed Transactions <sup>(3)</sup>
<b>NTA (\$ million)</b>	1,107.4	1,354.3	1,828.2
<b>NTA per Share (\$)</b>	3.40	3.43	3.23

**Notes:**

- (1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.
- (2) The figures are calculated based on 394,397,775 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms.
- (3) The figures are calculated based on 566,112,587 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms, and the Offer and the Convertible Bonds Offer are accepted in full by way of the Share Consideration and the Bonds Offer Share Consideration only.
- (4) The figures are based on the WBL Group FY 2012 Results, the STC Group FY 2011 Audited Accounts and the VWAP of the Shares transacted on the SGX-ST on the Last Trading Date.

**7.3 NTA – 3Q 2012.** For purely illustrative purposes only, assuming the Proposed Acquisitions and the Proposed Transactions had been effected on 30 September 2012, being the end of 3Q 2012, the effect of the Proposed Acquisitions and the Proposed Transactions on the NTA per Share for 3Q 2012 would be as follows:

	Before the Proposed Transactions <sup>(1)</sup>	After the Proposed Acquisitions <sup>(2)</sup>	After the Proposed Transactions <sup>(3)</sup>
<b>NTA (\$ million)</b>	1,124.6	1,328.2	1,802.0
<b>NTA per Share (\$)</b>	3.45	3.37	3.18

**Notes:**

- (1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.
- (2) The figures are calculated based on 394,397,775 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms.
- (3) The figures are calculated based on 566,112,587 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms, and the Offer and the Convertible Bonds Offer are accepted in full by way of the Share Consideration and the Bonds Offer Share Consideration only.
- (4) The figures are based on the WBL Group FY 2012 Results, the STC Group 3Q Results and the VWAP of the Shares transacted on the SGX-ST on the Last Trading Date.

## LETTER TO SHAREHOLDERS

**7.4 Earnings – FY 2011.** For purely illustrative purposes only, assuming the Proposed Acquisitions and the Proposed Transactions had been effected on 1 January 2011, being the beginning of FY 2011, the effect of the Proposed Acquisitions and the Proposed Transactions on the EPS for FY 2011 would be as follows:

	Before the Proposed Transactions <sup>(1)</sup>	After the Proposed Acquisitions <sup>(2)</sup>	After the Proposed Transactions <sup>(3)</sup>
<b>Profit after tax and minority interests<sup>(4)</sup> (S\$ million)</b>	45.6	71.5	113.4
<b>Weighted average number of Shares (million)</b>	325.9	394.4	566.1
<b>Profit per Share – Basic (S\$)</b>	0.14	0.18	0.20
<b>Profit per Share – Diluted (S\$)</b>	0.14	0.18	0.20

**Notes:**

- (1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.
- (2) The figures are calculated based on 394,397,775 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms.
- (3) The figures are calculated based on 566,112,587 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms, and the Offer and the Convertible Bonds Offer are accepted in full by way of the Share Consideration and the Bonds Offer Share Consideration only.
- (4) The figures are based on the WBL Group FY 2012 Results and the STC Group FY 2011 Audited Accounts.

**7.5 Earnings – 3Q 2012.** For purely illustrative purposes only, assuming the Proposed Acquisitions and the Proposed Transactions had been effected on 1 January 2012, being the beginning of the most recent financial year of the STC Group, the effect of the Proposed Acquisitions and the Proposed Transactions on the EPS for 3Q 2012 would be as follows:

	Before the Proposed Transactions <sup>(1)</sup>	After the Proposed Acquisitions <sup>(2)</sup>	After the Proposed Transactions <sup>(3)</sup>
<b>Profit / (Loss) after tax and minority interests<sup>(4)</sup> (S\$ million)</b>	(15.7)	3.3	35.7
<b>Weighted average number of Shares (million)</b>	325.9	394.4	566.1
<b>Profit / (Loss) per Share – Basic (S\$)</b>	(0.05)	0.01	0.06
<b>Profit / (Loss) per Share – Diluted (S\$)</b>	(0.05)	0.01	0.06

**Notes:**

- (1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.
- (2) The figures are calculated based on 394,397,775 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms.
- (3) The figures are calculated based on 566,112,587 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms, and the Offer and the Convertible Bonds Offer are accepted in full by way of the Share Consideration and the Bonds Offer Share Consideration only.
- (4) The figures are based on the WBL Group 3Q Results and the STC Group 3Q Results.



## LETTER TO SHAREHOLDERS

**7.6 Share Capital.** For purely illustrative purposes only, the potential effects on the share capital and the proportionate interests of the substantial shareholders of the Company which may arise from the issue of all the Consideration Shares and the New Shares pursuant to the Proposed Issuance are set out in the **Appendix** to this Circular.

Shareholders should note that certain new substantial shareholders may be introduced to the Company as a result of the Proposed Transactions and the Proposed Issuance. Please refer to the **Appendix** to this Circular for further details.

### 8. PROPOSED TRANSACTIONS AS A MAJOR TRANSACTION

**8.1 Relative Figures.** The relative figures for the Proposed Acquisitions and the Proposed Transactions computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures (%)	
		Proposed Acquisitions	Proposed Transactions
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets	N.A.	N.A.
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits <sup>(1)</sup>	-68.7	-232.4
(c)	The aggregate value of the consideration <sup>(2)</sup> given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(3)</sup>	23.9	83.8
(d)	The number of equity securities issued by the Company as consideration for the acquisitions <sup>(4)</sup> , compared with the number of equity securities previously in issue	21.0	73.7

**Notes:**

- (1) Net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The figures are based on the WBL Group 3Q Results and the STC Group 3Q Results. Net profit of S\$91.5 million was reported by the WBL Group for the nine months period ended 30 June 2012. Net loss of S\$31.4 million was reported by the STC Group for 3Q 2012.
- (2) The Acquisitions Consideration and the Transactions Consideration is deemed to be S\$247,972,806 and S\$869,580,425 respectively as set out in **paragraph 5.2** of this Circular.
- (3) Market capitalisation has been calculated on the basis of 325,897,000 Shares in issue as at the Announcement Date multiplied by the weighted average price of the Shares transacted on the Last Trading Date.
- (4) This is calculated based on 325,897,000 Shares in issue as at the Announcement Date and the assumptions that (i) there is full acceptance of the Offer (by both WBL Stockholders and holders of WBL Conversion Stock Units), and the Convertible Bonds Offer, and (ii) such full acceptance is by way of the Share Consideration and the Bonds Offer Share Consideration only.

**8.2 Classification.** In light of such relative figures set out above, the Proposed Transactions will be classified as a "major transaction" under Chapter 10 of the Listing Manual. As the only relative figure which exceeds 100% is that in respect of Rule 1006(b) of the Listing Manual, the Proposed Transactions will not be regarded as a very substantial acquisition.

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## LETTER TO SHAREHOLDERS

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### 9. PROPOSED ISSUANCE

#### 9.1 Proposed Issuance. The Company intends to satisfy:

- (i) the Acquisitions Consideration by issuing up to 68,500,775 Consideration Shares to the Vendors; and
- (ii) the:
  - (a) Share Consideration and the Bonds Offer Share Consideration; or
  - (b) the consideration for any acquisitions of WBL Stock Units or WBL Convertible Bonds during the Offer period other than by way of acceptances of the Offer and the Convertible Bonds Offer,

by issuing an aggregate of up to 171,714,812 New Shares, in exchange for WBL Stock Units and WBL Convertible Bonds.

While the Company will be offering the Cash Consideration and the Bonds Offer Cash Consideration, the Company will need to issue an aggregate of 171,714,812 New Shares to satisfy the Share Consideration, assuming that (i) all outstanding WBL Convertible Bonds and WBL Options are validly converted or exercised (as the case may be) into WBL Conversion Stock Units prior to the close of the Offer and all the WBL Conversion Stock Units are tendered in acceptance of the Offer, (ii) full acceptance of the Offer and (iii) all the accepting WBL Stockholders elect to receive the Share Consideration only. The 171,714,812 New Shares represent approximately 30.33% of the enlarged ordinary share capital of the Company.

Approval-in-principle has been obtained from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of an aggregate of up to 240,215,587 new Shares to be issued as (i) Consideration Shares and (ii) New Shares. The SGX-ST Listing Approval is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Transactions, the Proposed Issuance, the Consideration Shares and the New Shares.

#### 9.2 Approval Required. As the Directors have determined that the Consideration Shares and the New Shares shall not be issued pursuant to the general authority to allot and issue new Shares given to Directors by the Shareholders at the annual general meeting of the Company held on 27 April 2012, the Proposed Issuance will be subject to the approval of Shareholders at the EGM.

#### 9.3 Rationale for the Proposed Issuance. The shareholder base of the Company will be further broadened if any of the WBL Stockholders and WBL Bondholders elect the Share Consideration and the Bonds Offer Share Consideration respectively and the Offer becomes or is declared unconditional as to acceptances.

The Acquisitions Consideration will be satisfied by way of issuing the Consideration Shares and does not require any cash outlay from the Company. While the Cash Consideration option and the Bonds Offer Cash Consideration option are provided in the Offer and the Convertible Bonds Offer respectively, structuring the Proposed Acquisitions by way of issuing the Consideration Shares enables the Company to maintain a prudent level of gearing even if the Offer becomes or is declared unconditional as to acceptances and the WBL Stockholders and WBL Bondholders accept the Cash Consideration option and the Bonds Offer Cash Consideration option respectively.

### 10. DIRECTORS', SUBSTANTIAL SHAREHOLDERS' AND CONCERT PARTIES' INTERESTS

#### 10.1 Interests of Directors and Controlling Shareholders. Save for (i) their interests in the Shares as disclosed in paragraphs 10.2 and 10.3 of this Circular and (ii) their interests in WBL Stock Units and WBL Convertible Bonds as disclosed in paragraph 10.4 of this Circular, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in any of the Proposed Transactions.

## LETTER TO SHAREHOLDERS

**10.2 Directors' Interests in Shares.** The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Ms Chew Gek Khim	41,200	0.01	–	–	41,200	0.01
Ms Chew Gek Hiang	23,000	0.007	–	–	23,000	0.007

**Note:**

(1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.

**10.3 Substantial Shareholders' Interests in Shares.** The interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
The Cairns Pte. Ltd.	289,839,552	88.94	–	–	289,839,552	88.94
Raffles Investments Limited <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
Aequitas Pte. Ltd. <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
SLP <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
Tecity <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
Kambau <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
Grange <sup>(2)</sup>	–	–	289,839,552	88.94	289,839,552	88.94
Dr Tan Kheng Lian <sup>(2)</sup>	4,860	n.m.	289,839,552	88.94	289,844,412	88.94

**Notes:**

(1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.

(2) Deemed to have an interest in the Shares held by The Cairns Pte. Ltd.

(3) "n.m." means not meaningful.

**10.4 Interests of Directors and Controlling Shareholders in WBL.** The interests of the Directors in the WBL Stock Units and the WBL Convertible Bonds based on the information available to the Company as at the Latest Practicable Date are set out below:

(i) **Directors' Interests.**

- (a) Ms Chew Gek Khim, the executive chairman of the Company, has a direct interest in 42,000 WBL Stock Units, representing approximately 0.02% of the issued WBL Stock Units. She also has a direct interest in S\$31,500 principal amount of WBL Convertible Bonds.
- (b) Mrs Elizabeth Sam, an independent and non-executive director of the Company, has a direct interest in 15,000 WBL Stock Units, representing approximately 0.006% of the issued WBL Stock Units. She also has an indirect interest in 13,960 WBL Stock Units and S\$7,470 principal amount of WBL Convertible Bonds, each of which is held through Sam Investments Pte Ltd, an entity held by Mrs Elizabeth Sam and her son.

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## LETTER TO SHAREHOLDERS

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(ii) **Controlling Shareholders' Interests.**

- (a) Grange, its subsidiary Kambau and its indirect associate SLP, as indirect controlling shareholders of the Company, also indirectly own or control (through SLP's wholly-owned subsidiary Integrated Holdings, indirect wholly-owned subsidiary Choice Equities and indirect associate Mellford), 8,221,920 WBL Stock Units, representing approximately 3.03% of the issued WBL Stock Units.
- (b) Tecity, an indirect controlling shareholder of the Company, also indirectly owns or controls (through its indirect subsidiary Mellford), 5,388,329 WBL Stock Units, representing approximately 1.98% of the issued WBL Stock Units.
- (c) Dr Tan Kheng Lian, an indirect controlling shareholder of the Company, also directly and indirectly owns or controls (through Grange and Tecity), 8,367,282 WBL Stock Units, representing approximately 3.08% of the issued WBL Stock Units.

**10.5 Interests of the Company's Concert Parties in WBL.** To the best of the Company's knowledge, the interests of the parties acting in concert with the Company for the purposes of the Offer and the Convertible Bonds Offer in WBL as at the Latest Practicable Date are set out below:

<b>Concert Parties</b>	<b>Number of WBL Stock Units</b>	<b>%<sup>(1)</sup></b>
Dr Tan Kheng Lian	145,362	0.05
Integrated Holdings	1,284,825	0.47
Choice Equities	1,548,766	0.57
Mellford	5,388,329	1.98
Nexford Holdings Pte. Ltd.	2,363,178	0.87

**Note:**

- (1) The figures are calculated based on 271,499,751 WBL Stock Units in issue as at the Latest Practicable Date based on information extracted from ACRA.

## 11. DIRECTORS' SERVICE CONTRACTS

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

## 12. DIRECTORS' RECOMMENDATIONS

**12.1 Proposed Transactions.** The Directors are of the opinion that the Proposed Transactions are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the Proposed Transactions (**Resolution 1**) to be proposed at the EGM.

**12.2 Proposed Issuance.** The Directors are of the opinion that the Proposed Issuance is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution relating to the Proposed Issuance (**Resolution 2**) to be proposed at the EGM.

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## LETTER TO SHAREHOLDERS

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### 13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 32 to 34 of this Circular, will be held at Straits Ballroom 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 16 January 2013 at 8.30 a.m. for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

### 14. ACTION TO BE TAKEN BY SHAREHOLDERS

**14.1 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 Forms 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.

**14.2 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.

### 15. INSPECTION OF DOCUMENTS

The following documents are available for inspection by Shareholders at the registered office of the Company at 9 Battery Road, #28-01 Straits Trading Building, Singapore 049910, during normal business hours for a period of three months commencing from the date of this Circular:

- (i) the Stock Purchase Agreements;
- (ii) the Announcements;
- (iii) the memorandum and articles of association of the Company;
- (iv) the annual report of the Company for FY 2011; and
- (v) the STC Group 3Q Results.

### 16. RESPONSIBILITY STATEMENTS

**16.1 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 Proposed Transactions, the Proposed Issuance 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.

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## LETTER TO SHAREHOLDERS

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**16.2 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 Proposed Transactions, the Proposed Issuance 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  
31 December 2012

## APPENDIX

Name of Substantial Shareholder	Before the Proposed Transactions			After the Proposed Acquisitions			After the Proposed Transactions			
	Direct Interest		Deemed Interest	Direct Interest		Deemed Interest	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(2)</sup>	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(3)</sup>
The Cairns Pte. Ltd.	289,839,552	88.94	-	73.49	289,839,552	-	289,839,552	51.20	-	-
Raffles Investments Limited	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
Aequitas Pte. Ltd.	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
SLP	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
Tecity	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
Kambau	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
Grange	-	-	289,839,552	88.94	-	289,839,552	73.49	-	289,839,552	51.20
Dr Tan Kheng Lian	4,860	n.m.	289,839,552	88.94	4,860	73.49	289,839,552	n.m.	4,860	51.20
Aberdeen	-	-	-	-	-	21,705,957	5.50	-	21,705,957	3.83
TAM LLC	-	-	-	-	-	46,794,818	11.86	-	46,794,818	8.27
Third Avenue International Value Fund	-	-	-	10.05	39,643,649	-	-	7.00	-	-
OCBC <sup>(4)</sup>	-	-	-	-	-	-	-	3.00	16,969,383	9.26
GE Life <sup>(4)</sup>	-	-	-	-	-	-	-	7.22	40,853,294	-
GE Holdings <sup>(5)</sup>	-	-	-	-	-	-	-	-	52,438,252	9.26

**Notes:**

- (1) The figures are calculated based on 325,897,000 Shares in issue as at the Latest Practicable Date.
- (2) The figures are calculated based on 394,397,775 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms.
- (3) The figures are calculated based on 566,112,587 Shares in issue, assuming that the Proposed Acquisitions have been completed in accordance with each of their terms, and the Offer and the Convertible Bonds Offer are accepted in full only by way of the Share Consideration and the Bonds Offer Share Consideration respectively.
- (4) This assumes that each of OCBC and GE Life has accepted the Offer and the Convertible Bonds Offer in full only by way of the Share Consideration and the Bonds Offer Share Consideration respectively. The interest of OCBC was extracted from its substantial shareholder's notification to WBL dated 13 July 2012.
- (5) GE Holdings is the holding company of GE Life. The interest of GE Holdings was extracted from its substantial shareholder's notification to WBL dated 17 September 2012.
- (6) "n.m." means not meaningful.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### 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 Ballroom 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 16 January 2013 at 8.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following Resolutions:

#### RESOLUTION 1

##### THE PROPOSED TRANSACTIONS

That, subject to and contingent upon the passing of Resolution 2:

(a) the proposed acquisitions of:

- (i) up to 20,285,942 ordinary stock units ("**WBL Stock Units**") in the capital of WBL Corporation Limited ("**WBL**") from Aberdeen Asset Management Asia Limited, acting in its capacity as fund manager and agent for its clients ("**Aberdeen**"); and
- (ii) 43,733,475 WBL Stock Units from certain funds and portfolios managed by Third Avenue Management LLC (the "**Third Avenue Vendors**", and together with Aberdeen, the "**Vendors**"),

(together, the "**Proposed Acquisitions**") upon the terms and conditions of the stock purchase agreements dated 26 November 2012 and entered into between the Company and the Vendors, be and is hereby approved;

(b) the possible mandatory conditional offer which may be made by or on behalf of the Company in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Singapore Code on Take-overs and Mergers, for all the WBL Stock Units not already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company (the "**Offer**" and together with the Proposed Acquisitions and the Convertible Bonds Offer (as defined below), the "**Proposed Transactions**"), including all new WBL Stock Units:

- (i) unconditionally issued or to be issued pursuant to the valid conversion prior to the close of the Offer of any outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009 ("**WBL Convertible Bonds**"); and
- (ii) unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Offer of any options granted under any employee share option scheme of WBL,

be and is hereby approved; and



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the directors of the Company (“**Directors**”) and each of them be and are hereby authorised to:
- (i) make and implement the Offer and the offer for all the WBL Convertible Bonds (the “**Convertible Bonds Offer**”) on the terms and conditions set out in the offer document containing the terms of the Offer and the letter to the holders of the WBL Convertible Bonds (“**WBL Bondholders**”) containing the terms of the Convertible Bonds Offer each to be issued by or on behalf of the Company, or on the terms and conditions of any revised or extended Offer or Convertible Bonds Offer, as they and/or he may consider necessary, desirable or expedient or in the interests of the Company;
  - (ii) acquire the WBL Stock Units and the WBL Convertible Bonds whether pursuant to the Offer, the Convertible Bonds Offer or otherwise, such as pursuant to on-market or off-market purchases, during the Offer period or thereafter, in such manner and on such terms and conditions (including any revised Offer price or Convertible Bonds Offer price) as the Directors may consider necessary, desirable or expedient or in the interests of the Company; and
  - (iii) perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents as may be required), as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Transactions and this Resolution 1.

### RESOLUTION 2

#### THE PROPOSED ISSUANCE OF UP TO 240,215,587 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

That, subject to and contingent upon the passing of Resolution 1:

- (a) the proposed issuance by the Directors of an aggregate of up to 240,215,587 new ordinary shares in the capital of the Company, as follows:
- (i) an aggregate of up to 68,500,775 new ordinary shares in the capital of the Company to:
    - (1) Aberdeen, in consideration for the purchase by the Company of up to 20,285,942 WBL Stock Units controlled by Aberdeen, in its capacity as fund manager and agent for its clients; and
    - (2) the Third Avenue Vendors, in consideration for the purchase by the Company of 43,733,475 WBL Stock Units held by the Third Avenue Vendors; and
  - (ii) up to 171,714,812 new ordinary shares in the capital of the Company (“**New Shares**”) in exchange for all WBL Stock Units (“**WBL Offer Stock Units**”) and all WBL Convertible Bonds, other than those already owned, controlled or agreed to be acquired by the Company and parties acting in concert with the Company, pursuant to, or in connection with, the Offer and the Convertible Bonds Offer, as well as by way of on-market or off-market purchases during the Offer period or thereafter,

(the “**Proposed Issuance**”) be and is hereby approved;

- (b) the Directors and each of them be and are hereby authorised to allot and issue such number of New Shares to any holder of WBL Offer Stock Units (“**WBL Stockholder**”) or any WBL Bondholder who validly tenders his or her WBL Offer Stock Units or WBL Convertible Bonds (as the case may be) in acceptance of the Offer or the Convertible Bonds Offer (as the case may be), in instances where such WBL Stockholder or WBL Bondholder will, as a result of such allotment and issuance, end up with an interest of at least 15% in the issued shares of the Company; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the Directors and each of them be and are hereby authorised to perform, complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents as may be required), as they and/or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the Proposed Issuance and this Resolution 2.

BY ORDER OF THE BOARD

Aldric Tan Jee Wei  
Company Secretary  
31 December 2012

**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 a 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 Forms 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** (“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 Ballroom 3, Level 2, Rendezvous Grand Hotel Singapore, 9 Bras Basah Road, Singapore 189559 on 16 January 2013 at 8.30 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 resolutions 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
<b>Ordinary Resolution:</b> To approve the Proposed Transactions				
<b>Ordinary Resolution:</b> To approve the Proposed Issuance				

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 a 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.