

# MANDATORY CONDITIONAL CASH OFFER

by

## OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Company Registration No. 193200032W)  
(Incorporated in the Republic of Singapore)

for and on behalf of

## KNOWLEDGE TWO INVESTMENT PTE LTD

(Company Registration No. 200008798M)  
(Incorporated in the Republic of Singapore)

a wholly-owned subsidiary of

## LEE LATEX (PTE) LIMITED

(Company Registration No. 194700088K)  
(Incorporated in the Republic of Singapore)

to acquire all the issued ordinary shares in the capital of

## THE STRAITS TRADING COMPANY LIMITED

(Company Registration No. 188700008D)  
(Incorporated in the Republic of Singapore)

other than those already owned or agreed to be acquired by  
the Offeror and the Lee Family Companies

### 1. INTRODUCTION

1.1 **The Offer.** Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) wishes to announce, for and on behalf of Knowledge Two Investment Pte Ltd (the “**Offeror**”), that the Offeror intends to make a mandatory conditional cash offer (the “**Offer**”) for all the issued ordinary shares (the “**Shares**”) in the capital of The Straits Trading Company Limited (“**STC**”) other than those already owned or agreed to be acquired by the Offeror and the Lee Family Companies (as defined below). The Offeror is a wholly-owned subsidiary of Lee Latex (Pte) Limited (“**Lee Latex**”). Messrs Lee Seng Gee, Lee Seng Tee and Lee Seng Wee and their immediate family members (collectively, the “**Lee Family**”) through direct and indirect shareholdings including holdings held through intermediate companies (the “**Lee Family Companies**”), have interests in Lee Latex. Additional information on the Offeror and Lee Latex is set out in paragraph 3 below.

1.2 **Acquisition.** As at 24 July 2007 (being six months immediately preceding the date of this Announcement), the Offeror and the Relevant Persons (as described in paragraph 7.1 below) owned an aggregate of 105,486,532 Shares, representing approximately 32.37% of the total number of issued Shares<sup>1</sup>. During the period from 24 July 2007 to 23 January 2008, the

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<sup>1</sup> Unless otherwise stated, references in this Announcement to the total number of issued Shares are based on 325,897,000 Shares in issue (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 24 January 2008).

Offeror and the Relevant Persons acquired an aggregate of 3,159,000 Shares, representing approximately 0.97% of the total number of issued Shares.

The Offeror has today acquired an aggregate of 213,000 additional Shares at S\$5.71 per Share which, together with the above-mentioned Shares acquired during the last 6 months, represent approximately 1.03% of the total number of issued Shares (the "**Acquisition**").

- 1.3 **Mandatory Offer.** As a result of the Acquisition and in accordance with Rule 14.1(b) of The Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror is required to make a mandatory conditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and the Lee Family Companies.
- 1.4 **Aggregate Existing Holding.** As at the date of this Announcement (subject to further enquiries to be made as described in paragraph 7.2 of this Announcement), the Offeror and the Relevant Persons own an aggregate of 108,858,532 Shares, representing approximately 33.4% of the total number of issued Shares.

## 2. THE OFFER

- 2.1 **Offer Terms.** The Offeror intends to make the Offer for all the issued Shares not already owned or agreed to be acquired by the Offeror and the Lee Family Companies (the "**Offer Shares**"), in accordance with Rule 14.1(b) of the Code and subject to and upon the following principal terms and conditions:

- (a) The Offer will be made on the following basis:

**For each Offer Share: S\$5.76 in cash (the "Offer Price")**

- (b) The Offer Shares are to be acquired fully paid and free from all claims, charges, equities, liens, pledges and other encumbrances and together with all rights, benefits, entitlements and advantages attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to all dividends, rights and other distributions (if any) declared, made or paid thereon on or after the date of this Announcement (including any dividends that may be declared, made or paid thereon in respect of the financial year ended 31 December 2007).

Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends, other distributions or return of capital that may be declared, made or paid by STC on the Offer Shares on or after the date of this Announcement ("**STC Distribution**"). In the event any STC Distribution has been paid by STC to a shareholder of STC ("**Shareholder**") who accepts the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the STC Distribution paid by STC to such accepting Shareholder. Accordingly, if any STC Distribution is declared, made or paid by STC on or after the date of this Announcement and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to the STC Distribution, the amount of the STC Distribution in respect of such Offer Shares will be deducted from the Offer Price payable for such Offer Shares, as the Offeror will not receive the STC Distribution in respect of those Offer Shares from STC.

- (c) The Offer will be extended, on the same terms and conditions, to all the issued Shares owned or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in connection with the Offer (other than the Lee Family Companies).

- 2.2 **Condition of the Offer.** The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned or agreed to be acquired by the Offeror and parties acting in concert with it including the Relevant Persons (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it, including the Relevant Persons, holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares in the capital of STC as at the close of the Offer.

**The Offer will be unconditional in all other respects.**

### 3. INFORMATION ON THE OFFEROR

- 3.1 **The Offeror.** The Offeror is a private company limited by shares and was incorporated in Singapore on 13 October 2000. Its principal activities are those of an investment holding company. As at the date of this Announcement, the Offeror has an issued and paid-up ordinary share capital of S\$20,000,000 comprising 20,000,000 ordinary shares, all of which are held by Lee Latex. The Offeror is a direct wholly-owned subsidiary of Lee Latex. As at the date of this Announcement, the directors of the Offeror are Messrs Huang Thiay Sherng and Tan Khiam Hock.
- 3.2 **Lee Latex.** Lee Latex is a company incorporated in Singapore on 10 June 1947. Its principal activity is that of investment holding. As at the date of this Announcement, Lee Latex has an issued and paid-up share capital of S\$30,000,000 comprising 30,000 ordinary shares. As at the date of this Announcement, the directors of Lee Latex are Messrs Lee Seng Wee, Lee Seng Gee, Lee Seng Tee, Lee Yuen-Shih, Lee Han-Shih (alternate to Lee Seng Gee), Lee Shih Hua (alternate to Lee Seng Tee) and Huang Thiay Sherng.

### 4. INFORMATION ON STC

STC is a company incorporated in Singapore on 8 November 1887 and is listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Based on publicly available information, the principal activities of STC are those of an investment holding company. STC and its subsidiaries (the “**STC Group**”) are primarily engaged in the business of mining, smelting, investments in other metals and mineral resources, hotel investment and management, property operations and financial investments. The smelting business is conducted by its subsidiary company, Malaysia Smelting Corporation Berhad.

As at 23 January 2008, being the market day immediately prior to the date of this Announcement (the “**Latest Practicable Date**”), STC has 325,897,000 Shares in issue with a market capitalisation of approximately S\$1.86 billion.

### 5. VALUE COMPARISONS

The Offer Price of S\$5.76 for each Offer Share:

- (a) represents a premium of approximately 16.1% over S\$4.96, being the last transacted price of the Shares on the SGX-ST on 4 January 2008, the last day on which the Shares were traded prior to the date of announcement by Standard Chartered Bank (for and on behalf of The Cairns Pte. Ltd.) of its offer for STC;

- (b) represents a premium of approximately 0.9% over S\$5.71, being the last transacted price of the Shares on the SGX-ST on the market day immediately prior to the date of this Announcement;
- (c) represents a premium of approximately 6.2% over S\$5.4252, being the volume weighted average price of the Shares on the SGX-ST over the one-month period prior to the date of this Announcement;
- (d) represents a premium of approximately 14.5% over S\$5.0326, being the volume weighted average price of the Shares on the SGX-ST over the three-month period prior to the date of this Announcement;
- (e) represents a premium of approximately 13.6% over the unaudited net asset value per Share of S\$5.07 as at 30 September 2007; and
- (f) represents a premium of approximately 45.5% over the audited net asset value per Share of S\$3.96 as at 31 December 2006.

## 6. COMPULSORY ACQUISITION AND LISTING STATUS

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if the Offeror receives valid acceptances pursuant to the Offer in respect of not less than 90% of the Offer Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding Shares held as treasury shares), the Offeror would have the right to compulsorily acquire all the Offer Shares not acquired by the Offeror pursuant to the Offer.

Shareholders who have not accepted the Offer have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror or its nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury shares). Shareholders who have not accepted the Offer and who wish to exercise such right are advised to seek their own independent legal advice.

Pursuant to Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares excluding treasury shares, the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares excluding treasury shares are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares excluding treasury shares, thus causing the percentage of the total number of issued Shares excluding treasury shares held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724 of the Listing Manual, if the percentage of the total number of issued Shares excluding treasury shares held in public hands falls below 10%, STC must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 725 of the Listing Manual states that the SGX-ST may allow STC a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which STC may be delisted from the SGX-ST.

It is the present intention of the Offeror to maintain the listing status of STC on the SGX-ST. However, in the event SGX-ST suspends the listing of the Shares on the SGX-ST in the above circumstances or in the event that the Offeror receives acceptances in respect of not less than 90% of the Offer Shares (other than those already held by the Offeror, its related

corporations or their respective nominees as at the date of the Offer and excluding Shares held as treasury shares), the Offeror will reassess its position in respect of its shareholdings in STC.

## 7. DISCLOSURES OF HOLDINGS AND DEALINGS IN THE SHARES

### 7.1 Holdings and Dealings.

(a) **Relevant Persons.** Appendix 1 of this Announcement sets out:

(i) the number of Shares owned or agreed to be acquired by:

(1) the Offeror and its directors (including deemed interests);

(2) Lee Latex and its directors and shareholders; and

(3) certain other concert parties of the Offeror including certain presumed concert parties, namely, (aa) Selat (Pte) Ltd ("**Selat**"), Island Investment Company Pte Ltd ("**Island Investment**"), Lee Plantations Pte Ltd ("**Lee Plantations**"), Lee Foundation, Lee Rubber Company (Pte) Limited ("**Lee Rubber**") and Singapore Investments (Pte) Limited ("**Singapore Investments**") (being companies within the Lee Family Companies), (bb) OCBC Bank and its wholly-owned subsidiaries, and (cc) Great Eastern Holdings Limited ("**GEH**") and its wholly-owned subsidiaries. Lee Foundation, Lee Rubber and Singapore Investments are also shareholders of Lee Latex,

(collectively, the "**Relevant Persons**"); and

(ii) the dealings in the Shares by the Relevant Persons from 24 July 2007 (being six months immediately preceding the date of this Announcement) to the Latest Practicable Date (the "**Reference Period**").

(b) **No Other Holdings and Dealings.** Save as disclosed in this Announcement, based on the latest information available to the Offeror, none of the Relevant Persons (i) owns or has agreed to acquire any Shares or other securities which carry voting rights in STC or are convertible into Shares or securities which carry voting rights in STC, or rights to subscribe for, or options in respect of, Shares or such securities as at the Latest Practicable Date, (ii) has dealt for value in any Shares during the Reference Period or (iii) has received any irrevocable undertaking from any party to accept or reject the Offer.

7.2 **Further Enquiries.** In the interests of confidentiality, enquiries have not been made in respect of companies not wholly-owned by Lee Latex, OCBC Bank and GEH and certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document (as defined below).

## 8. CONFIRMATION OF FINANCIAL RESOURCES

OCBC Bank, as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

## 9. OFFER DOCUMENT

The formal document containing the terms and conditions of the Offer (the “**Offer Document**”) and enclosing the appropriate form(s) of acceptance, will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement. Shareholders are advised to exercise caution when dealing in the Shares.

## 10. OVERSEAS SHAREHOLDERS

10.1 **Overseas Shareholders.** The Offer will be made pursuant to the Offer Document and the form(s) of acceptance accompanying the Offer Document. The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of STC or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be set out in the Offer Document.

10.2 **Copies of Offer Document.** Where there are potential restrictions on sending the Offer Document and the appropriate form(s) of acceptance to any overseas jurisdiction, the Offeror and OCBC Bank each reserves the right not to send the Offer Document and the appropriate form(s) of acceptance to such overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain a copy of the Offer Document and the appropriate form(s) of acceptance from the office of STC’s share registrar, Tricor Barbinder Share Registration Services at 8 Cross Street, #11-00 PWC Building, Singapore 048424. Alternatively, an Overseas Shareholder may write in to STC’s share registrar at the above-stated address to request for the Offer Document and the appropriate form(s) of acceptance to be sent to an address in Singapore by ordinary post at his own risk.

## 11. RESPONSIBILITY STATEMENT

The directors of the Offeror and the directors of Lee Latex (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources (including, without limitation, information relating to the STC Group), the sole responsibility of the directors of the Offeror and the directors of Lee Latex has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

**OVERSEA-CHINESE BANKING CORPORATION LIMITED**

For and on behalf of

**KNOWLEDGE TWO INVESTMENT PTE LTD**

24 January 2008

## APPENDIX 1

**Details of Holdings and Dealings in the Shares****1. Holdings in the Shares****1.1 The Offeror and Lee Latex**

As at the date of this Announcement, the Offeror owns 3,372,000 Shares representing approximately 1.03% of the total number of issued Shares. Lee Latex does not hold any Shares.

**1.2 Directors of the Offeror**

The holdings of the directors of the Offeror in the Shares as at the Latest Practicable Date are set out below:

<b>Name</b>	<b>No. of Shares</b>	<b>%</b>
Huang Thiay Sherng	6,000 <sup>(1)</sup>	0.00
Tan Khiam Hock	3,840	0.00
<b>Total</b>	<b>9,840</b>	<b>0.00</b>

Note:

(1) Mr Huang Thiay Sherng is deemed interested in the Shares held by his children.

**1.3 Directors and shareholders of Lee Latex**

Save as set out above and below, none of the directors and shareholders of Lee Latex has any holding in the Shares as at the Latest Practicable Date:

<b>Name</b>	<b>No. of Shares</b>	<b>%</b>
<b><u>Directors</u></b>		
Lee Seng Wee	176,976 <sup>(1)</sup>	0.05
Lee Seng Tee	222,240 <sup>(2)</sup>	0.07
<b><u>Other individual shareholders (excluding directors who are shareholders)</u></b>		
Lee Seok Keng	7,872	0.00
Lee Seok Chee	60,000 <sup>(3)</sup>	0.02
Peen Lee, Fiona	23,760	0.01
<b><u>Corporate shareholders</u></b>		
Lee Foundation	13,252,668 <sup>(4)</sup>	4.07
Lee Rubber	2,024,544	0.62
Singapore Investments	566,232	0.17
<b>Total</b>	<b>16,334,292</b>	<b>5.01</b>

Notes:

- (1) Mr Lee Seng Wee holds 104,976 Shares and is deemed interested in the 72,000 Shares held by his spouse.
- (2) Mr Lee Seng Tee is deemed interested in the Shares held by his spouse.
- (3) Ms Lee Seok Chee is deemed interested in the Shares held by her spouse.
- (4) This does not include Lee Foundation's deemed interest in the 3,902,232 Shares held by Selat and Singapore Investments.

#### 1.4 Certain other concert parties of the Offeror

The holdings of Selat, Island Investment, Lee Plantations, OCBC Bank and its wholly-owned subsidiaries and GEH and its wholly-owned subsidiaries in the Shares as at the Latest Practicable Date are set out below:

Name	No. of Shares	%
<b><u>Lee Family Companies</u></b>		
Selat	3,336,000	1.02
Island Investment	544,440	0.17
Lee Plantations	109,392	0.03
<b>Sub-Total</b>	3,989,832	1.22
<b><u>OCBC Bank and its wholly-owned subsidiaries</u></b>		
OCBC Bank	6,572,976	2.02
Orient Holdings Private Limited	9,480,660	2.91
Eastern Realty Company Limited	2,989,752	0.92
Singapore Building Corporation Limited	1,148,352	0.35
Malayan Trustees Bhd	5,364	0.00
OCBC Trustee Limited	51,600	0.02
<b>Sub-Total</b>	20,248,704	6.21
<b><u>GEH and its wholly-owned subsidiaries</u></b>		
The Great Eastern Life Assurance Company Limited	3,777,929	1.16
Great Eastern Life Assurance (Malaysia) Berhad	46,309,042	14.21
The Overseas Assurance Corporation Limited	8,117,637	2.49
The Great Eastern Trust Private Limited	6,699,256	2.06
<b>Sub-Total</b>	64,903,864	19.92
<b>Total</b>	89,142,400	27.35



## **2. Dealings in the Shares during the Reference Period**

### **2.1 The Offeror and Lee Latex**

The details of the dealings in the Shares by the Offeror during the Reference Period are set out below:

<b>Date of Transaction</b>	<b>No. of Shares Bought</b>	<b>Transaction Price per Share (S\$)</b>
14 January 2008	708,000	5.67 to 5.75
15 January 2008	837,000	5.70 to 5.75
16 January 2008	28,000	5.66 to 5.69
21 January 2008	705,000	5.72 to 5.74
22 January 2008	556,000	5.70 and 5.71
23 January 2008	325,000	5.70 to 5.74
24 January 2008	213,000	5.71

There were no dealings in the Shares by Lee Latex during the Reference Period.

### **2.2 Directors of the Offeror**

There were no dealings in the Shares by the directors of the Offeror during the Reference Period.

### **2.3 Directors and shareholders of Lee Latex**

There were no dealings in the Shares by the directors and shareholders of Lee Latex during the Reference Period.

### **2.4 Certain other concert parties of the Offeror**

There were no dealings in the Shares by the other concert parties of the Offeror referred to in paragraph 1.4 of this Appendix 1 during the Reference Period.