



**THE STRAITS TRADING COMPANY LIMITED**

(Incorporated in Singapore)

(Company Registration No.: 188700008D)

**ANNOUNCEMENT**

**MANDATORY CONDITIONAL CASH OFFER  
TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF  
THE STRAITS TRADING COMPANY LIMITED**

**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**” or “**STC**”) wishes to inform the shareholders of the Company (“**Shareholders**”) that Oversea-Chinese Banking Corporation Limited has, for and on behalf of Knowledge Two Investment Pte Ltd (the “**Offeror**”), on 24 January 2008, issued an announcement (the “**Offer Announcement**”), stating, *inter alia*, that:

- (i) 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 Company other than those already owned or agreed to be acquired by the Offeror and the Lee Family Companies (as defined in the Offer Announcement);
- (ii) as at 24 July 2007 (being six months immediately preceding the date of the Offer Announcement), the Offeror and the Relevant Persons (as defined in the Offer Announcement) 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 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, on 24 January 2008, 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**”);

- (iii) 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

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<sup>1</sup> Unless otherwise stated, references in the Offer 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).

owned or agreed to be acquired by the Offeror and the Lee Family Companies (the “Offer Shares”). The Offer will be made on the following basis:

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

- (iv) as at the date of the Offer Announcement (subject to further enquiries to be made as described in paragraph 7.2 of the Offer 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;
- (v) 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 the Offer 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 the Offer 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 the Offer Announcement (“**STC Distribution**”). In the event any STC Distribution has been paid by STC to a 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 the Offer 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;

- (vi) 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; and
- (vii) 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).

Further details and information on the Offer are set out in the Offer Announcement, a copy of which is enclosed with this Announcement. Shareholders are encouraged to refer to the full text of the Offer Announcement.

## 2. INFORMATION ON THE OFFEROR

The following information on the Offeror is extracted from the Offer Announcement:

### **“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.”*

## 3. COMPULSORY ACQUISITION AND LISTING STATUS

The following information on the Offeror's intention as regards the Offeror's right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer at a price equal to the Offer Price, and the listing status of the Company on the Singapore Exchange Securities Trading Limited, is extracted from the Offer Announcement:

### **“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.”*

#### **4. OFFER DOCUMENT**

According to the Offer Announcement, the formal document containing the terms and conditions of the Offer 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 the Offer Announcement.

## 5. INDEPENDENT FINANCIAL ADVISER

On 11 January 2008, the Company announced that it has appointed CIMB-GK Securities Pte. Ltd. ("**CIMB-GK**") as the independent financial adviser to advise the Directors of the Company who consider themselves to be independent in connection with the voluntary conditional cash offer by Standard Chartered Bank, for and on behalf of, The Cairns Pte. Ltd.

CIMB-GK will also be appointed to advise the Directors of the Company who consider themselves to be independent (the "**Independent Directors**") for the purposes of the Offer.

A circular containing the advice of CIMB-GK and the recommendation of the Independent Directors will be sent to the Shareholders within 14 days from the date of the despatch of the Offer Document to be issued by the Offeror.

**In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendation of the Independent Directors, as well as the advice of the independent financial adviser, which will be set out in the circular to be issued in due course to the Shareholders.**

## 6. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure through reasonable enquires that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

BY ORDER OF THE BOARD

Emily Teo  
Company Secretary

Singapore, 25 January 2008