



ANNOUNCEMENT

ACCEPTANCE OF THE MANDATORY CONDITIONAL CASH OFFERS FOR WBL CORPORATION LIMITED MADE BY J.P. MORGAN (S.E.A.) LIMITED FOR AND ON BEHALF OF UE CENTENNIAL VENTURE PTE. LTD.

1. INTRODUCTION

1.1 Background. On 12 March 2013, J.P. Morgan (S.E.A.) Limited ("**J.P. Morgan**") announced, for and on behalf of UE Centennial Venture Pte. Ltd. ("**Offeror**"), a firm intention to make mandatory conditional cash offers to acquire all the issued ordinary stock units ("**Stock Units**") in the capital of WBL Corporation Limited ("**WBL**"), and all the outstanding 2.5% convertible bonds due 10 June 2014 issued by WBL on 10 June 2009 ("**Convertible Bonds**"), other than those already owned, controlled or agreed to be acquired by the Offeror and the Concert Party Group¹ (the "**Stock Unit Offer**" and the "**Convertible Bonds Offer**" respectively, and collectively the "**Offers**"). For the avoidance of doubt, references to the "**Stock Unit Offer**", the "**Convertible Bonds Offer**" and the "**Offers**" shall mean such offers as may be revised by, or for and on behalf of, the Offeror from time to time.

1.2 Current Holdings. As at the date of this Announcement, The Straits Trading Company Limited ("**Company**") and its subsidiaries (together with the Company, the "**STC Group**") have an interest in:

1.2.1 an aggregate number of 112,734,618 Stock Units ("**Relevant Stock Units**"), representing approximately 40.66% of the issued Stock Units²; and

1.2.2 an aggregate principal amount of S\$749,539 Convertible Bonds ("**Relevant Convertible Bonds**"), which when converted into Stock Units represents approximately 0.12%³ of the issued Stock Units.

Further information on the holdings of the STC Group in the Relevant Stock Units and Relevant Convertible Bonds (the "**Relevant Securities**") is set out in the **Appendix** to this Announcement.

1.3 Acceptances of Offers. The board of directors of the Company wishes to announce that the STC Group has on 13 May 2013 accepted the Offers as follows:

¹ Concert Party Group shall have the meaning given to it in the offer document dated 27 March 2013 issued for and on behalf of the Offeror in relation to the Offers.

² In this Announcement, unless otherwise stated, all references to the issued Stock Units are a reference to 277,246,035 Stock Units as at 13 May 2013 (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") on such date).

³ The Convertible Bonds are convertible at a conversion price of S\$2.29.

- 1.3.1 the Company has accepted the Stock Unit Offer in respect of 17,395,703 Relevant Stock Units held by the Company;
- 1.3.2 STC Equities Holding Pte. Ltd. (“**STC Equities**”), a wholly-owned subsidiary of the Company, has accepted the Stock Unit Offer in respect of 64,019,417 Relevant Stock Units held by STC Equities; and
- 1.3.3 Malayan Securities Private Limited (“**MSPL**”), a wholly-owned subsidiary of the Company, has accepted (i) the Stock Unit Offer in respect of 31,319,498 Relevant Stock Units held by MSPL and (ii) the Convertible Bonds Offer in respect of an aggregate principal amount of S\$749,539 Relevant Convertible Bonds,

(collectively, the “**Acceptance**”).

- 1.4 **Stock Unit Offer Becomes Unconditional.** The Stock Unit Offer is conditional upon the Offeror having received, by the close of the Stock Unit Offer, valid acceptances in respect of such number of Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and parties acting or presumed to be acting in concert with the Offeror in connection with the Offers (“**Concert Parties**”) (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of Stock Units carrying more than 50% of the voting rights attributable to the issued Stock Units as at the close of the Stock Unit Offer (including any voting rights attributable to Conversion Stock Units⁴). Following the STC Group’s acceptance of the Stock Unit Offer pursuant to the Acceptance, the Offeror would have received valid acceptances in respect of such number of Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Stock Unit Offer becoming unconditional in all respects.

2. **INFORMATION ON WBL**

- 2.1 **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.
 - 2.1.1 **Technology.** WBL has controlling interests in Multi-Fineline Electronix, Inc. and MFS Technology Ltd which manufacture flexible printed circuits for high growth segments such as mobile phones and personal digital assistants.
 - 2.1.2 **Property.** Well established property development business in China with a focus on Chengdu, Chongqing, Suzhou, Shanghai and Shenyang provinces.
 - 2.1.3 **Automotive.** Leading automotive distributor in Singapore, Malaysia, Hong Kong, Indonesia and Thailand representing 11 premium brands.
 - 2.1.4 **Others.** Portfolio of other businesses in engineering and distribution, mining, property management and production of agro technology.

⁴ “**Conversion Stock Units**” means new Stock Units unconditionally issued or to be issued pursuant to the valid conversion prior to the close of the Stock Unit Offer of any of the Convertible Bonds.

3. RATIONALE FOR THE ACCEPTANCE AND BENEFITS TO THE COMPANY

3.1 **Execution Risk in Unlocking Value in WBL.** The Company, through its direct and indirect interests, is the single largest holder of Stock Units ("**WBL Stockholder**") and has publicly expressed its desire, over the last two years, to work together with all stakeholders to unlock value for the benefit of all WBL Stockholders.

The Company believes it is critical for the board and management of WBL to have commonality of goals and strategies for any value unlocking initiatives to be successful.

This desire was recognized by two substantial stockholders of WBL at that time, namely Aberdeen Asset Management Asia Limited, in its capacity as fund manager and agent for its clients ("**Aberdeen**"), and certain funds and portfolios managed by Third Avenue Management LLC ("**Third Avenue**"), and materialised through a share swap, which was completed on 18 January 2013, which valued WBL at S\$3.41 per Stock Unit. As a result, the STC Group increased its stockholding in WBL to 40.55%⁵ and triggered a mandatory general offer by the Company and its concert parties for WBL which STC allowed to lapse on 1 March 2013.

Following the announcement of its mandatory general offer, the Company made approaches to other substantial WBL Stockholders to embrace its objective of a common goal for value unlocking.

However, on 30 January 2013, the Offeror announced a pre-conditional voluntary offer for WBL at a price of S\$4.00 per Stock Unit. The offer price was raised to S\$4.15 per Stock Unit on 12 March 2013 and subsequently, further raised to S\$4.50 per Stock Unit on 9 May 2013. Based on the dealings disclosure announcement made by J.P. Morgan, for and on behalf of the Offeror, on 10 May 2013 in respect of the acquisition by the Offeror of 517,000 Stock Units by way of open market purchases on 10 May 2013 ("**Dealings Disclosure Announcement**"), the Company notes that as at 10 May 2013, the Offeror and its Concert Parties owned or controlled 40.00% of the issued Stock Units⁶.

If the Stock Unit Offer is unsuccessful, or if the STC Group does not accept the Stock Unit Offer, the STC Group, and its concert parties, and the Offeror and its Concert Parties will remain as the two largest remaining blocks of WBL Stockholders, without the assurance of a common goal.

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

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

⁵ Based on 271,592,302 issued Stock Units as at 18 January 2013 (based on a search conducted at the ACRA on such date).

⁶ Based on 277,246,035 issued Stock Units as set out in the Dealings Disclosure Announcement.

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

In accepting the Offers, the STC Group will benefit from a 37.2%⁷ increase in the value of the Stock Units as compared to the one-year volume weighted average price ("**VWAP**") of S\$3.28 per Stock Unit as at 23 November 2012, being the last full day of trading of the Stock Units on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") prior to the date of the announcement of the Company's possible offers for the Stock Units and the Convertible Bonds.

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

4. PRINCIPAL TERMS OF THE STOCK UNIT OFFER

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

For each Stock Unit: S\$4.15 in cash ("**Original Stock Unit Offer Price**").

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

For each Stock Unit: S\$4.50 in cash ("Final Stock Unit Offer Price**").**

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

4.2 Final Closing Date. On 9 May 2013, J.P. Morgan also announced, for and on behalf of the Offeror, that the final closing date for the Offers is 5.30 p.m. (Singapore time) on 29 May 2013 ("**Final Closing Date**").

The Offeror has announced that it has no intention of extending the Offers beyond 5.30 p.m. (Singapore time) on the Final Closing Date.

4.3 No Encumbrances. The Stock Units will be acquired fully paid and free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**") and together with all rights, benefits, entitlements and advantages attached thereto as at 30 January 2013, being the date of the announcement released by J.P. Morgan, for and on behalf of the Offeror, in connection with the pre-conditional voluntary offers for WBL (the "**Pre-Conditional Offers**").

⁷ Based on the Final Stock Unit Offer Price of S\$4.50 (as defined in paragraph 4.1).

Announcement Date") and thereafter attaching thereto, including the right to all dividends, rights and other distributions ("**Stock Unit Distributions**") (if any), the Stock Units Record Date⁸ for which falls on or after the Pre-Conditional Offers Announcement Date.

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

4.4.1 if the Offer Settlement Date falls on or before the Stock Units Record Date, the Offeror will pay the relevant accepting WBL Stockholders the Final Stock Unit Offer Price of S\$4.50 in cash for each Stock Unit, as the Offeror will receive the Stock Unit Distribution in respect of such Stock Units from WBL; and

4.4.2 if the Offer Settlement Date falls after the Stock Units Record Date, the Final Stock Unit Offer Price payable for such Stock Units tendered in acceptance shall be reduced by an amount which is equal to the Stock Unit Distribution in respect of such Stock Units, as the Offeror will not receive such Stock Unit Distribution from WBL.

4.5 No Adjustments for FY2012 Dividend. At the annual general meeting of WBL on 18 January 2013, the WBL Stockholders approved the payment of a tax-exempt (one-tier) final dividend of S\$0.05 per Stock Unit for the financial year ended 30 September 2012 (the "**FY2012 Dividend**") to WBL Stockholders on the Register of Members of WBL on 24 January 2013 (the "**FY2012 Dividend Record Date**") which has been paid on 18 February 2013. For the avoidance of doubt, the Final Stock Unit Offer Price of S\$4.50 in cash for each Stock Unit will not be adjusted for the FY2012 Dividend as the FY2012 Dividend Record Date falls before the Pre-Conditional Offers Announcement Date.

4.6 No Adjustments for Interim Dividend. As stated in the announcement by WBL dated 8 May 2013, WBL has declared an interim tax-exempt (one-tier) dividend of S\$0.05 per Stock Unit (the "**Interim Dividend**") payable on 1 August 2013 to WBL Stockholders on the Register of Members of WBL on 11 July 2013 (the "**Interim Dividend Record Date**"). Based on the foregoing and the Final Closing Date, the Offer Settlement Date will fall before the Interim Dividend Record Date and accordingly, the Final Stock Unit Offer Price will not be adjusted for the Interim Dividend.

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

⁸ "**Stock Units Record Date**" in relation to any Stock Unit Distribution means the date on which the holders of the Stock Units must be registered with WBL or The Central Depository (Pte) Limited, as the case may be, in order to participate in such Stock Unit Distribution.

4.7 Stock Unit Consideration. The aggregate consideration that the STC Group will receive for the Relevant Stock Units tendered in acceptance of the Stock Unit Offer pursuant to the Acceptance is S\$507.3 million in cash ("**Stock Unit Consideration**"). Following the STC Group's acceptance of the Stock Unit Offer pursuant to the Acceptance, the Offeror would have received valid acceptances in respect of such number of Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Stock Unit Offer becoming unconditional in all respects. Accordingly, the STC Group will receive the Stock Unit Consideration within 10 days of 13 May 2013, being the date on which the Stock Unit Offer becomes or is declared to be unconditional in all respects.

4.8 Post-Settlement. Upon settlement of the Stock Unit Offer, the Company will no longer hold any interest in WBL, and WBL will cease to be an associated company of the Company.

5. PRINCIPAL TERMS OF THE CONVERTIBLE BONDS OFFER

5.1 Final Convertible Bonds Offer Price. On 9 May 2013, J.P. Morgan announced, for and on behalf of the Offeror, that as a consequence of the revision of the Original Stock Unit Offer Price, the offer price for the relevant principal amount of Convertible Bonds ("**Final Convertible Bonds Offer Price**") tendered in acceptance of the Convertible Bonds Offer is accordingly revised, in accordance with Rule 19 of the Singapore Code on Take-overs and Mergers, to the "see-through" price which is equal to the Final Stock Unit Offer Price multiplied by the number of Conversion Stock Units⁴ into which such principal amount of Convertible Bonds may be converted (rounded down to the nearest Conversion Stock Unit).

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

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

5.2 No Encumbrances. The Convertible Bonds will be acquired fully paid and free from all Encumbrances and together with all rights, interests, benefits, entitlements and advantages attached thereto as at the Pre-Conditional Offers Announcement Date and thereafter attaching thereto, including the right to all interest, payment, rights or other distributions ("**Convertible Bonds Distributions**") (if any), the Bonds Record Date⁹ for which falls on or after the Pre-Conditional Offers Announcement Date but excluding any payment of interest in respect of Convertible Bonds, the Bonds Record Date for which falls on or before the relevant settlement date in respect of the Convertible Bonds tendered in acceptance of the Convertible Bonds Offer ("**Excluded Interest Payment**").

In the event of any such Convertible Bonds Distribution or if any right arises for any reason whatsoever (other than the Excluded Interest Payment) on or after the Pre-Conditional Offers Announcement Date for the benefit of a holder of the Convertible Bonds ("**Bondholder**") who validly accepts or has validly accepted the Convertible Bonds Offer, the Offeror reserves the right to reduce the Final Convertible Bonds Offer Price payable to such accepting Bondholder

⁹ "**Bonds Record Date**" in relation to any Convertible Bonds Distribution means the date on which the holders of the Convertible Bonds must be registered with WBL or The Central Depository (Pte) Limited, as the case may be, in order to participate in such Convertible Bonds Distribution.

by the amount of such Convertible Bonds Distribution, subject to consultation with the Securities Industry Council.

5.3 Convertible Bonds Consideration. The aggregate consideration that the STC Group will receive for the Relevant Convertible Bonds tendered in acceptance of the Convertible Bonds Offer pursuant to the Acceptance is S\$1.5 million in cash¹⁰ (the “**Convertible Bonds Consideration**”). The Convertible Bonds Offer is subject to and conditional upon the Stock Unit Offer becoming or being declared unconditional in all respects and the Convertible Bonds continuing to be transferable and convertible into Conversion Stock Units. As mentioned in **paragraph 4.7** above, following the STC Group’s acceptance of the Stock Unit Offer pursuant to the Acceptance, the Offeror would have received valid acceptances in respect of such number of Stock Units which, when taken together with the Stock Units owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Stock Unit Offer and pursuant to the Stock Unit Offer or otherwise), will result in the Stock Unit Offer becoming unconditional in all respects. Accordingly, the STC Group will receive the Convertible Bonds Consideration within 10 days of 13 May 2013, being the date on which the Stock Unit Offer becomes or is declared to be unconditional in all respects.

5.4 Post-Settlement. Upon settlement of the Convertible Bonds Offer, the STC Group will no longer hold any Convertible Bonds.

6. VALUES OF THE RELEVANT SECURITIES

6.1 Book Value. Based on historical costs of acquisitions, the book value (excluding non-controlling interests) of the Relevant Securities is approximately S\$425.5 million.

6.2 NTA. Based on the unaudited consolidated financial statements of WBL and its subsidiaries (“**WBL Group**”) for the financial half year ended 31 March 2013 as announced by WBL on 8 May 2013 (“**WBL Group 1H2013 Results**”), the net tangible asset value (excluding non-controlling interests) of the Relevant Securities is approximately S\$368.7 million.

6.3 Open Market Value. Based on the VWAP of the Stock Units transacted on the SGX-ST on 10 May 2013 (being the full market day immediately preceding the date of this Announcement on which the Stock Units were traded on the SGX-ST), assuming conversion of the Relevant Convertible Bonds, the open market value of the Relevant Securities is approximately S\$508.8 million.

6.4 Excess of Aggregate Consideration over Book Value. Based on the book value of the Relevant Securities as set out in **paragraph 6.1** above, the amount of excess of the aggregate consideration for the Acceptance over the said book value is approximately S\$83.3 million.

6.5 Net Profits and Estimated Gain from the Acceptance. Based on the WBL Group 1H2013 Results, the net loss before tax¹¹ attributable to the Relevant Securities is approximately S\$3.8 million. Based on the book value of the Relevant Securities as set out in **paragraph 6.1** above, the estimated gain from the Acceptance is approximately S\$83.3 million.

¹⁰ Assuming conversion of the Relevant Convertible Bonds, at a conversion price of S\$2.29, into such number of Conversion Stock Units multiplied by the Final Stock Unit Offer Price.

¹¹ For the financial half year ended 31 March 2013.

7. RELATIVE FIGURES

7.1 **Relative Figures.** The relative figures for the Acceptance computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (“**Listing Manual**”) are as follows:

Rule 1006	Bases	Relevant Securities (S\$ million)	STC Group (S\$ million)	Relative Figures (%)
(a)	Net asset value (“ NAV ”) of the Relevant Securities compared with the STC Group’s NAV ⁽¹⁾	526.6	1,392.4	37.8
(b)	Net profits / (losses) ⁽²⁾ attributable to the Relevant Securities compared with the STC Group’s net profits / (losses)	6.1	6.3	96.4
(c)	Aggregate consideration ⁽³⁾ received for the Acceptance compared with the Company’s market capitalisation ⁽⁴⁾	508.8	1,565.7	32.5

Notes:

- (1) The STC Group’s NAV of S\$1,392.4 million was reported in the unaudited consolidated financial statements of the STC Group for the first quarter ended 31 March 2013 as announced by the Company on 13 May 2013 (“**STC Group 1Q2013 Results**”). The NAV for the Relevant Securities is based on the unaudited consolidated financial statements of the WBL Group for the first quarter ended 31 December 2012 (“**WBL Group 1Q2013 Results**”), assuming conversion of the Relevant Convertible Bonds.
- (2) Net profit / loss is defined as profit / loss before income tax, minority interests and extraordinary items. A net profit of S\$6.3 million was reported in the STC Group 1Q2013 Results. Based on the WBL Group 1Q2013 Results, a net profit of S\$6.1 million was attributable to the Relevant Securities, assuming conversion of the Relevant Convertible Bonds.
- (3) The aggregate consideration of S\$508.8 million received pursuant to the Acceptance is calculated based on S\$4.50 in cash for each Stock Unit and Conversion Stock Unit. The Convertible Bonds are convertible at a conversion price of S\$2.29. Please refer to **paragraphs 4.1 and 5.1** above for details on the Final Stock Unit Offer Price and the Final Convertible Bonds Offer Price respectively.
- (4) The market capitalisation of the Company of S\$1,565.7 million has been calculated on the basis of a total of 394,397,772 issued shares in the capital of the Company (“**Shares**”) multiplied by the VWAP of the Shares transacted on 10 May 2013, being the full market day preceding the date of this Announcement on which the Shares were traded on the SGX-ST.

7.2 **Major Transaction.** As the relative figures under Rules 1006(a), 1006(b) and 1006(c) exceed 20%, the Acceptance constitutes a “major transaction” under Chapter 10 of the Listing Manual.

7.3 Waiver of Rule 1014(2). It was not possible to seek the prior approval of Shareholders for the Acceptance. Accordingly, an application was made on behalf of the Company to the SGX-ST to seek, *inter alia*, a waiver from the requirement to obtain prior Shareholders' approval for the Acceptance and that the Company may instead seek Shareholders' ratification of the Acceptance ("**Waiver**"). In this regard, the SGX-ST has on 19 April 2013 granted the Waiver, subject to the following:

7.3.1 unanimous approval by the directors of the Company of the Acceptance;

7.3.2 submission of a written undertaking ("**Company Undertaking**") from the Company that it will seek Shareholders' ratification of the Acceptance at an extraordinary general meeting ("**EGM**"). The EGM should be held within 3 months from the date of granting of the Waiver;

7.3.3 The Cairns Pte. Ltd. ("**TCPL**"), being the largest Shareholder with a shareholding interest in the Company of approximately 73.49%, providing a copy to the SGX-ST of written undertakings to the Company that (i) it shall vote in favour of approving any Shareholders' resolution(s) relating to the approval of the Acceptance at the EGM to be convened and (ii) it will not dispose of its equity stake in the Company before and up to the date of the EGM ("**TCPL Undertaking**"); and

7.3.4 the Company announcing the Waiver, the reasons for seeking the Waiver and the conditions, as required under Rule 107 of the Listing Manual, upon tender of the Relevant Securities in acceptance of the Offers.

Pursuant to the above, the Company wishes to announce that:

(i) the Acceptance was unanimously approved by the directors of the Company;

(ii) the Company has submitted the Company Undertaking to the SGX-ST;

(iii) a copy of the TCPL Undertaking has been provided to the SGX-ST; and

(iv) the Company intends to convene the EGM to seek Shareholders' ratification of the Acceptance within 3 months from the date of granting of the Waiver.

8. ILLUSTRATIVE FINANCIAL EFFECTS OF THE ACCEPTANCE

8.1 Assumptions. The proforma financial effects of the Acceptance on the net tangible assets ("**NTA**") per Share, the earnings per Share ("**EPS**") and the share capital of the Company are set out below and have been computed based on (i) the audited consolidated financial statements of the STC Group for the financial year ended 31 December 2012 as set out in the Company's announcement on 29 April 2013 ("**STC Group FY2012 Results**") and (ii) the STC Group 1Q2013 Results. The proforma financial effects have been prepared purely for illustration only and do not reflect the actual future financial situation of the STC Group after completion of the Acceptance.

8.2 NTA – FY2012. For purely illustrative purposes only, assuming the Acceptance had been effected on 31 December 2012, being the end of the financial year of the STC Group ended

31 December 2012 (“**FY 2012**”), the effect of the Acceptance on the NTA per Share for FY 2012 would be as follows:

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

Note:

⁽¹⁾ This excludes 68,500,772 Shares which were allotted and issued to Aberdeen (in its capacity as fund manager and agent for its clients) and certain funds and portfolios managed by Third Avenue (in its capacity as fund manager and agent) pursuant to share swap agreements that were completed on 18 January 2013.

8.3 NTA – 1Q 2013. For purely illustrative purposes only, assuming the Acceptance had been effected on 31 March 2013, being the end of the first financial quarter for the financial year of the STC Group ending 31 December 2013 (“**1Q 2013**”), the effect of the Acceptance on the NTA per Share for 1Q 2013 would be as follows:

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

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

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

Note:

(1) This excludes 68,500,772 Shares which were allotted and issued to Aberdeen (in its capacity as fund manager and agent for its clients) and certain funds and portfolios managed by Third Avenue (in its capacity as fund manager and agent) pursuant to share swap agreements that were completed on 18 January 2013.

8.5 Earnings – 1Q 2013. For purely illustrative purposes only, assuming the Acceptance had been effected on 1 January 2013, being the beginning of 1Q 2013, the effect of the Acceptance on the EPS for 1Q 2013 would be as follows:

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

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

9. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

9.1 Directors' Interests. Save as disclosed below and in this Announcement, none of the directors of the Company has any interest, direct or indirect, in the Acceptance:

9.1.1 Ms Chew Gek Khim, executive chairman of the Company, has a direct interest in 42,000 Stock Units, representing approximately 0.015% of the issued Stock Units. She also has a direct interest in S\$31,500 in principal amount of Convertible Bonds.

9.1.2 Mrs Elizabeth Sam, a non-independent and non-executive director of the Company, has a direct interest in 15,000 Stock Units, representing approximately 0.005% of the issued Stock Units. She also has an indirect interest in 13,960 Stock Units and S\$7,470 in principal amount of Convertible Bonds, each of which is held through Sam Investments Pte Ltd, an entity held by Mrs Elizabeth Sam and her son.

9.2 Controlling Shareholders' Interests. Save as disclosed below and apart from their shareholdings through the Company, none of the controlling Shareholders has any interest, direct or indirect, in the Acceptance:

9.2.1 Grange Investment Holdings Private Limited ("**Grange**"), its subsidiary Kambau Pte. Ltd. and its indirect associate Siong Lim Private Limited ("**SLP**"), as indirect controlling Shareholders, also indirectly own or control (through SLP's wholly-owned subsidiary Integrated Holdings Private Limited, indirect wholly-owned subsidiary Choice Equities Pte Ltd and indirect associate Mellford Pte. Ltd. ("**Mellford**")), 8,221,920 Stock Units, representing approximately 2.97% of the issued Stock Units.

9.2.2 Tecity Pte. Ltd. ("**Tecity**"), an indirect controlling shareholder of the Company, also indirectly owns or controls (through its indirect subsidiary Mellford) 5,388,329 Stock Units, representing approximately 1.94% of the issued Stock Units.

9.2.3 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 Stock Units, representing approximately 3.02% of the issued Stock Units.

10. **DIRECTORS' SERVICE CONTRACTS**

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

By Order of the Board
Aldric Tan Jee Wei
Company Secretary
The Straits Trading Company Limited

13 May 2013
Singapore

Appendix

Set out below are the holdings of the STC Group in the Relevant Stock Units and the Relevant Convertible Bonds.

1. The Relevant Stock Units

Name of STC Group company	Direct Interest	
	No. of Stock Units	%
The Straits Trading Company Limited	17,395,703	6.27
STC Equities Holding Pte. Ltd. ¹²	64,019,417	23.09
Malayan Securities Private Limited ¹²	31,319,498	11.30

2. The Relevant Convertible Bonds

Name of STC Group company	Direct Interest	
	Principal Amount of Convertible Bonds (S\$)	Percentage of Stock Units issued if Convertible Bonds are converted (%)
Malayan Securities Private Limited ¹²	749,539	0.12

¹² STC Equities Holding Pte. Ltd. and Malayan Securities Private Limited are wholly-owned subsidiaries of the Company.