

POSSIBLE MANDATORY CONDITIONAL OFFER

by



Standard Chartered Bank

for and on behalf of



The Straits Trading Company Limited

(Incorporated in Singapore)

(Company Registration No.: 188700008D)

to acquire all of the issued ordinary stock units in the capital of



WBL Corporation Limited

(Incorporated in Singapore)

(Company Registration No.: 191200028Z)

other than those already owned, controlled or agreed to be acquired by
The Straits Trading Company Limited and parties acting in concert with it

POSSIBLE OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Possible Offer. Standard Chartered Bank ("**SCB**") wishes to announce, for and on behalf of The Straits Trading Company Limited (the "**Offeror**"), that, subject to and contingent upon satisfaction or waiver of the Conditions (as defined in paragraph 2.3 below), the Offeror intends to make a mandatory conditional offer (the "**Offer**") for all the issued ordinary stock units (the "**Stock Units**") in the capital of WBL Corporation Limited (the "**Company**"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

1.2 Proposed Acquisitions. The Offeror has today entered into separate conditional stock purchase agreements (each, a "**Stock Purchase Agreement**"), in respect of the following:

- (i) the sale by Aberdeen Asset Management Asia Limited, in its capacity as fund manager and agent for its clients, ("**Aberdeen**") and the purchase by the Offeror of up to 20,285,942 Stock Units controlled by Aberdeen in its capacity as fund manager

and agent for its clients, representing approximately 7.48 per cent. of the total number of issued Stock Units¹; and

- (ii) the sale by certain funds and portfolios managed by Third Avenue Management LLC (the “**Third Avenue Vendors**”, and together with Aberdeen, in its capacity as fund manager and agent for its clients, the “**Vendors**”) and the purchase by the Offeror of 43,733,475 Stock Units held by the Third Avenue Vendors, representing approximately 16.13 per cent. of the total number of issued Stock Units,

amounting in aggregate up to 64,019,417 Stock Units, representing approximately 23.61 per cent. of the issued Stock Units (the “**Sale Stock Units**” and, such sale and purchase of the Sale Stock Units, the “**Proposed Acquisitions**”).

In the event completion of the sale and purchase of the Sale Stock Units pursuant to the terms and satisfaction of the conditions in the Stock Purchase Agreements (the “**Completion**”) occurs, the Offeror will own or control an aggregate of up to 110,130,426 Stock Units, representing approximately 40.62 per cent. of the issued Stock Units.

- 1.3 Rationale for the Offer.** In accordance with the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror will be required and intends, upon satisfaction or waiver of the Conditions, to make a mandatory conditional offer for all the Stock Units other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror. Following the Proposed Acquisitions, to the best of the Offeror’s knowledge, the Offeror, together with parties acting in concert with the Offeror, would hold an aggregate of up to 120,860,886 Stock Units, representing approximately 44.57 per cent of the issued Stock Units.

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 Announcement refer to the possible Offer which will only be made if and when the Conditions are satisfied or waived.

Stockholders of the Company and shareholders of the Offeror should exercise caution and seek appropriate independent advice when dealing in the Stock Units and the Offeror Shares (as defined in paragraph 2.2 below).

2. INFORMATION ON THE STOCK PURCHASE AGREEMENTS

- 2.1 Sale Stock Units.** The Sale Stock Units shall be sold by the Vendors to the Purchaser fully paid, free from 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 (collectively, “**Encumbrances**”) and together with all rights and advantages attaching to them as at the date of the Stock Purchase Agreements (including the right to receive all dividends, rights, other distributions and returns of capital declared, paid or made on or after the date of the Stock Purchase Agreements).

The Offeror shall not be obliged to complete the purchase of any of the Sale Stock Units unless the sale of all the Sale Stock Units is completed simultaneously in accordance with the

¹ For the purposes of this Announcement, the issued Stock Units comprise 271,152,261 Stock Units (based on information extracted from the Accounting Corporate and Regulatory Authority of Singapore on 26 November 2012).

Stock Purchase Agreements.

2.2 Consideration. The consideration for the purchase of the Sale Stock Units shall comprise up to 68,500,775 ordinary shares in the capital of the Offeror to be allotted and issued and credited as fully paid as consideration (collectively, the “**Consideration Shares**”) by the Offeror to the Vendors. The Consideration Shares will be issued on the basis of 1.07 Consideration Shares for every one Sale Stock Unit (the “**Ratio**”). The Consideration Shares will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Offeror (“**Offeror Shares**”) as at the date of their issue.

2.3 Conditions Precedent. Completion of each of the Stock Purchase Agreements is subject to and conditional upon satisfaction of the following conditions:

- (i) the passing at a general meeting of the Offeror (or any adjournment thereof) of resolutions to approve:
 - (a) the purchase of the Sale Stock Units and the making of the Offer;
 - (b) the giving of authority to the directors of the Offeror to allot and issue the Consideration Shares; and
 - (c) the giving of authority to the directors of the Offeror to allot and issue new Offeror Shares (“**New Shares**”) to the holders of Stock Units or convertible securities of the Company, as consideration or in exchange for such Stock Units or convertible securities of the Company to be acquired by the Offeror pursuant to valid acceptances of, or in connection with, the Offer or the Convertible Bonds Offer (as defined below);
- (ii) the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) having been obtained for the listing, quotation and trading of the Consideration Shares and the New Shares on the Main Board of the SGX-ST, 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**”).

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

- (i) by either of the Offeror or the Vendors, in its sole discretion, 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 parties may in writing agree (the “**Long Stop Date**”);
- (ii) by the Vendors, if obligations of the Offeror on Completion are not fully complied with, or by the Offeror, 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 Offeror or the Vendors, if there shall have come to the notice of the Offeror 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 Offeror or a Vendor (as the case may be) under the relevant Stock Purchase Agreement or any of the covenants, undertakings or obligations of the Offeror or a Vendor (as the case may be) under the relevant Stock Purchase Agreement has been breached in any material respect.

- 2.5 Formal Announcement.** SCB, for and on behalf of the Offeror, will announce a firm intention on the part of the Offeror to make the Offer on the date the Conditions are satisfied or waived (the “**Formal Offer Announcement Date**”).

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

3. POSSIBLE OFFER

- 3.1 Terms.** Subject to the Conditions being satisfied or waived and the terms and conditions set out in the offer document to be issued by SCB for and on behalf of the Offeror (the “**Offer Document**”), the Offeror intends to make the Offer on the following basis:

(i) **Offer and Offer Stock Units**

The Offer, if and when made, will be made for all the Stock Units not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror as at the date of the Offer (the “**Offer Stock Units**”), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Code.

(ii) **Consideration**

The consideration for each Offer Stock Unit (the “**Offer Price**”) will, at the option of a holder of Offer Stock Units (each, a “**Stockholder**”) who validly accepts the Offer, either be in Offeror Shares or in cash as follows.

For each Offer Stock Unit:

- (a) **1.07 New Shares (the “Share Consideration”); or**
(b) **S\$3.41 in cash (the “Cash Consideration”).**

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

The Cash Consideration is determined based on the volume weighted average price (“**VWAP**”) of the Offeror Shares transacted on the SGX-ST on 23 November 2012, being the last full market day preceding the date of this Announcement on which the Offeror Shares were traded on the SGX-ST. The VWAP of the Offeror Shares on 23 November 2012 is S\$3.1833.

(iii) **No Encumbrances**

The Offer Stock Units will be acquired (a) fully paid; (b) free from any Encumbrances and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto, including the right to receive and retain all dividends, rights, other distributions or returns of capital (if any) (“**Distributions**”) declared, paid or made by the Company on or after the date of this Announcement. **If any Distribution is declared, paid or made by the Company on or after the date of this Announcement to a Stockholder who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting Stockholder by the amount of such Distribution.**

(iv) **Conversion Stock Units**

Based on the latest information available to the Offeror, there are outstanding 2.5 per cent. convertible bonds due 10 June 2014 issued by the Company on 10 June 2009 (the “**Convertible Bonds**”), which are convertible into ordinary shares in the capital of the Company, which, upon their issue, will each be converted into one Stock Unit, representing approximately 3.62² per cent. of the maximum potential issued stock capital of the Company (as defined below).

The Offer, if and when made, will also be extended to:

- (a) all new Stock Units unconditionally issued or to be issued pursuant to the valid conversion prior to the close of the Offer of any of the Convertible Bonds; and
- (b) all new Stock Units 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 scheme (“**Options**”),

(collectively, the “**Conversion Stock Units**”).

For the purposes of the Offer, the expression “**Offer Stock Units**” will include such Conversion Stock Units.

(v) **Revision of Offer**

The Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

3.2 **Minimum Acceptance Condition**

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

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 Offeror has received valid acceptances in respect of such number of Offer Stock Units which, when taken together with Stock Units owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror or parties acting or deemed to be acting in concert with the Offeror, will result in the Offeror and parties acting or deemed to be acting in concert with the Offeror holding such number of Stock Units carrying more than 50 per cent. of the maximum potential issued stock capital of the Company.

For the purposes of this Announcement and the Offer, the “**maximum potential issued stock capital of the Company**” means the total number of Stock Units which would be in issue if all the outstanding Convertible Bonds and the Options are validly converted or

² Conversion Stock Units have been adjusted to reflect an increase in outstanding Stock Units since the unaudited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 September 2012 as announced by the Company on 14 November 2012. Based on such financial statements, as at 30 September 2012, there were 10,440,035 Conversion Stock Units and the total number of issued Stock Units excluding treasury Stock Units were 270,901,986. The Conversion Stock Units have been adjusted to 10,189,760 to reflect the increase in outstanding Stock Units to 271,152,261 assuming the increase in Stock Units is entirely due to conversion of the Convertible Bonds.

exercised (as the case may be) into Conversion Stock Units as at the date of the relevant declaration.

3.3 No Irrevocable Undertakings

As at the date of this Announcement, neither the Offeror nor any Relevant Person (as defined in paragraph 14.1 below) has received any irrevocable undertaking from any party to accept or reject the Offer.

3.4 Offeror Shares

Assuming (i) Completion occurs, (ii) all outstanding Convertible Bonds and Options are validly converted or exercised (as the case may be) into Conversion Stock Units prior to the close of the Offer and all the Conversion Stock Units are tendered in acceptance of the Offer, (iii) full acceptance of the Offer and (iv) all the accepting Stockholders elect to receive the Share Consideration only, the Offeror will issue approximately 171,714,812 Offeror Shares³, representing approximately 30.33 per cent. of the enlarged ordinary share capital of the Offeror⁴.

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 Offeror Shares as at the date of their issue.

4. NO DOWNSTREAM OFFERS

By a letter dated 23 November 2012, the Securities Industry Council has ruled that the Offeror will not be obliged by virtue of the Offer, if and when made, to make mandatory offers under Note 7 on Rule 14.1 of the Code for each of the following entities in which the Company has a controlling interest:

- (i) Multi-Fineline Electronix, Inc. (“**MFLEX**”), a company incorporated in the state of Delaware, United States of America, and listed on the NASDAQ; and
- (ii) MFS Technology Ltd. (“**MFS**”), a company incorporated in the Republic of Singapore and listed on the Main Board of the SGX-ST.

5. POSSIBLE CONVERTIBLE BONDS OFFER

5.1 Convertible Bonds Offer. In addition to extending the Offer, if and when made, to all Conversion Stock Units unconditionally issued or to be issued pursuant to the conversion prior to the close of the Offer of any Convertible Bonds, SCB, for and on behalf of the Offeror, also intends to make an offer to the holders of the Convertible Bonds (“**Bondholders**”) to acquire the Convertible Bonds, in accordance with Rule 19 of the Code, other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Convertible Bonds Offer**”).

5.2 Condition. 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 Convertible Bonds continuing to be transferable and convertible into Conversion Stock Units.

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

³ This excludes the Consideration Shares.

⁴ For the purposes of this Announcement, the enlarged ordinary share capital of the Offeror comprises 566,112,587 Offeror Shares.

accordingly.

5.3 Convertible Bonds Offer Price. The offer price for each principal amount of the Convertible Bonds (the “**Convertible Bonds Offer Price**”) tendered in acceptance of the Convertible Bonds Offer will, in accordance with Note 1(a) to Rule 19 of the Code, be the “see-through” price and, at the option of a Bondholder be either in cash or in New Shares, as follows:

- (i) a cash sum equal to the Cash Consideration, multiplied by the number of Conversion Stock Units into which such principal amount of Convertible Bonds may be converted (rounded down to the nearest Conversion Stock Unit) (the “**Bonds Offer Cash Consideration**”); or
- (ii) such number of New Shares equal to the Ratio multiplied by the number of Conversion Stock Units into which such principal amount of Convertible Bonds may be converted (rounded down to the nearest Conversion Stock Unit) (the “**Bonds Offer Share Consideration**”).

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

5.4 No Encumbrances. The Convertible Bonds will be acquired (i) free from all Encumbrances and (ii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including but not limited to the right to receive and retain all interest, payment, right or other distribution declared, paid or made by the Company on or after the date of this Announcement.

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

5.5 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 Bondholder converts his Convertible Bonds in order to accept the Offer in respect of the Conversion Stock Units arising pursuant to such conversion, he may not accept the Convertible Bonds Offer in respect of such Convertible Bonds. Conversely, if a Bondholder wishes to accept the Convertible Bonds Offer in respect of his Convertible Bonds, he may not convert those Convertible Bonds in order to accept the Offer in respect of such Conversion Stock Units arising pursuant to such conversion.

5.6 Letter to Bondholders. Details of the Convertible Bonds Offer will be set out in a letter to Bondholders (“**Letter to Bondholders**”) to be despatched to Bondholders together with the Offer Document.

6. NO OPTIONS PROPOSAL

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

7. DESCRIPTION OF THE OFFEROR

Incorporated in 1887, the Offeror is one of the oldest public listed companies in Singapore, with business interests and investments spanning the Asia Pacific region.

Through its subsidiary, Malaysia Smelting Corporation Berhad, listed on Bursa Malaysia with a secondary listing on SGX-ST, the Offeror engages in tin mining and smelting, and resource investments. The Offeror owns properties and hotels and its property business, which includes property investments, development and management primarily in Singapore and Malaysia is driven by its subsidiary, Straits Developments Private Limited. Its hospitality division, Rendezvous Hospitality Group, manages and operates a stable of hotels in Asia Pacific under the Rendezvous brand.

8. DESCRIPTION OF THE COMPANY

The Company 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.** The Company has controlling interests in MFLEX and MFS 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.

9. RATIONALE FOR THE PROPOSED ACQUISITIONS AND THE POSSIBLE OFFER

9.1 The Offeror believes that the Proposed Acquisitions are beneficial for the following reasons:

- (i) **Potential for Continued Growth.** The Offeror sees potential for continued growth in the various businesses and subsidiaries of the Company. The key businesses and subsidiaries of the Company such as MFLEX, the property development business and the automotive distribution business are among the leading businesses in their respective geographies or industries;
- (ii) **Reasonable Price.** The Proposed Acquisitions are being done at a reasonable price;

- (iii) **Benefits of being the Largest Stockholder.** The Offeror will become the largest Stockholder following Completion, thus transforming its existing minority stake in the Company into a strategic stake. The Offeror may, together with parties acting in concert, also emerge as the majority Stockholder should the Offer become or be declared unconditional as to acceptances. The Offeror believes that even in the case where the Offer has not become unconditional as to acceptances, the Offeror as the largest Stockholder will be well positioned to work closely with the board of directors of the Company as well as the other Stockholders to pursue business opportunities and strategies which may be beneficial for all Stockholders in the long term. The Offeror has an established track record in transforming and repositioning businesses as evidenced by the successful transformation of its own portfolio of businesses;
- (iv) **Broadening of the Offeror's Shareholder Base.** The Proposed Acquisitions will lead to the broadening of the shareholder base of the Offeror through the introduction of the Vendors who are well respected institutional investors. The shareholder base of the Offeror will be further broadened if any of the Stockholders elect the Share Consideration in the Offer and any of the Bondholders elect the Bonds Offer Share Consideration and each of the Offer and the Convertible Bonds Offer becomes or is declared unconditional as to acceptances;
- (v) **Accounting Treatment.** In the event the Offeror acquires a greater than 50 per cent. stake in the Company at the close of the Offer, the Offeror will be able to account for the Company as a subsidiary in its financials. However, following Completion, in the event the Offer does not become unconditional as to acceptances, the Offeror will be able to account for the financials of the Company in its own financials as the Company would be treated as an "associate" of the Offeror for financial accounting purposes; and
- (vi) **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 Offeror. While the Cash Consideration and Bonds Offer Cash Consideration option is provided in the Offer and the Convertible Bonds Offer respectively, structuring the Proposed Acquisitions by way of issuing Consideration Shares enables the Offeror to maintain a prudent level of gearing even if the Offer becomes unconditional as to acceptances and the other Stockholders accept the Cash Consideration option.

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

10. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror, currently, intends for the Company to continue its existing business activities and has no plans to (i) introduce any major changes to the business of the Company or its subsidiaries (collectively, the "**Group**" and, each, a "**Group Company**"), (ii) re-deploy the fixed assets of any Group Company or (iii) affect the operations of any Group Company, discontinue the employment of the existing employees of any Group Company, in each case, other than in the ordinary and usual course of business.

The Offeror may request the board of directors of the Company at any time and from time to time, to consider any options or opportunities in relation to any Group Company which may present themselves and which it may regard to be in the best interests of such Group

Company and conduct a review of the Group's business strategy to identify potential areas in which the Company can achieve optimal Stockholders' value and generate higher returns to Stockholders in the long term.

In particular, the Offeror may request the board of directors of the Company to undertake an assessment of (a) the Group's capital structure and needs and (b) the human resource requirements of the Group, taking into account the future plans of the board of directors of the Company for the Group but ensuring continuity of its existing operations and the objectives of retaining and attracting competent personnel to further enhance the management and operations of the Group.

11. LISTING STATUS OF THE COMPANY

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

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

12. COMPULSORY ACQUISITION

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 or acquires the Offer Stock Units during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of issued Stock Units as at the final closing date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Stock Units of Stockholders who have not accepted the Offer (the "**Dissenting Stockholders**") on the same terms as those offered under the Offer.

Dissenting Stockholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Stock Units in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Stock Units which, together with the Stock Units held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued

Stock Units as at the final closing date of the Offer. **Dissenting 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 per cent. threshold under Section 215(3) of the Companies Act does not exclude Stock Units held by the Offeror, its related corporations or their respective nominees.

13. FINANCIAL ASPECTS OF THE OFFER

The Cash Consideration represents the following premium / discount over the historical traded prices of the Stock Units:

	Benchmark Price (S\$)	Premium / Discount (%)
Last traded price per Stock Unit as quoted on the SGX-ST on 23 November 2012 (being the last full market day preceding the date of this Announcement on which the Stock Units were traded on the SGX-ST (the "Last Trading Date"))	3.51	-2.8
VWAP of the Stock Units for the one-month period up to and including the Last Trading Day	3.53	-3.4
VWAP of the Stock Units for the three-month period up to and including the Last Trading Day	3.57	-4.5
VWAP of the Stock Units for the six-month period up to and including the Last Trading Day	3.48	-2.0
VWAP of the Stock Units for the one-year period up to and including the Last Trading Day	3.11	9.6

Notes:

⁽¹⁾ The figures set out in paragraph 13 are based on data extracted from Bloomberg on 23 November 2012.

⁽²⁾ Computed based on the Stock Unit prices which were rounded to the nearest two decimal places.

14. DISCLOSURE OF HOLDINGS AND DEALINGS

14.1 Holdings and Dealings in Company Securities

(i) **Holdings and Dealings**

Part 1 of Appendix 1 to this Announcement sets out:

- (a) the number of Company Securities (as defined below) owned, controlled or agreed to be acquired as at the date of this Announcement by the following:
- (1) the Offeror,
 - (2) the directors of the Offeror; and
 - (3) SCB,
- (collectively, the "Relevant Persons"); and
- (b) the dealings in Company Securities by the Relevant Persons during the six-month period immediately preceding the date of this Announcement (the "Reference Period").

(ii) **No Other Holdings**

Save as disclosed in this Announcement, none of the Relevant Persons own, control or have agreed to acquire any:

- (a) Stock Units;
- (b) Convertible Bonds;
- (c) securities which carry voting rights in the Company; or
- (d) convertible securities, warrants, options or derivatives in respect of the Stock Units or securities which carry voting rights in the Company,

(the “**Company Securities**”).

(iii) **No Dealings**

Save as disclosed in this Announcement, none of the Relevant Persons has dealt for value in any Company Securities during the Reference Period.

(iv) **Other Arrangements**

Saved as disclosed in this Announcement, none of the Relevant Persons have, in respect of the Company Securities which it owns or controls:

- (a) granted any security interest to another person, whether through a charge, pledge or otherwise;
- (b) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
- (c) lent any to another person,

as at the date of this Announcement.

14.2 Holdings and Dealings in Offeror Securities

(i) **Part 2 of Appendix 1** of this Announcement sets out:

- (a) the number of Offeror Securities (as defined below) owned, controlled or agreed to be acquired by the Relevant Persons as at the date of this Announcement; and
- (b) the dealings in Offeror Securities by the Relevant Persons during the Reference Period.

(ii) Save as disclosed in this Announcement, none of the Relevant Persons own, control or have agreed to acquire any:

- (a) Offeror Shares;
- (b) securities which carry voting rights in the Offeror; or
- (c) convertible securities, warrants, options or derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror,

(the “**Offeror Securities**”).

(iii) **No Dealings**

Save as disclosed in this Announcement, none of the Relevant Persons has dealt for

value in any Offeror Securities during the Reference Period.

- 14.3 Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer, if and when made. Similarly, SCB has not made enquiries in respect of certain parties who are or may be presumed to be acting in concert with SCB in connection with the Offer, if and when made.

Further enquiries will be made of such persons and the relevant disclosures will be made in the Offer Document.

15. OFFER DOCUMENT

Further information on the Offer, if and when made, will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer and enclose the appropriate form(s) of acceptance, will be despatched to Stockholders not earlier than 14 days and not later than 21 days from the Formal Offer Announcement Date.

16. OVERSEAS STOCKHOLDERS

- 16.1 Overseas Stockholders.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law.

The Offer, if and when made, will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

For the avoidance of doubt, the Offer, if and when made, will be open to all Stockholders holding Offer Stock Units, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.

The availability of the Offer, if and when made, to Stockholders whose addresses are outside Singapore as shown in the register of the Company or, as the case may be, in the records of The Central Depository (Pte) Limited (the “**Overseas Stockholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Stockholders should inform themselves about and observe any applicable legal requirements. Further details in relation to the Overseas Stockholders will be contained in the Offer Document.

- 16.2 Copy of the Offer Document.** Where there are potential restrictions on sending the Offer Document to any overseas jurisdictions, the Offeror and SCB reserve the right not to send the Offer Document to such overseas jurisdictions. Any affected Overseas Stockholder may nonetheless obtain a copy of the Offer Document from the office of the Company’s share registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #02-00, Singapore 068898. Alternatively, an affected Overseas Stockholder may write to the Company’s share registrar to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk.

17. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any 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 or reproduced from published or publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

Standard Chartered Bank

For and on behalf of

The Straits Trading Company Limited

26 November 2012

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

Praveen D'souza

Managing Director, Southeast Asia M&A

Tel: +65 6596 7546

Fax: +65 6634 9570

Samaresh Singh

Associate Director, Southeast Asia M&A

Tel: +65 6596 7525

Fax: +65 6634 9570

Appendix 1

HOLDINGS AND DEALINGS IN COMPANY SECURITIES AND OFFEROR SECURITIES

PART 1

Details of Holdings in Company Securities

1. Company Securities held by the Relevant Persons as at the date of this Announcement

1.1 The Offeror

Save as disclosed below, and excluding interests arising from the Stock Purchase Agreements, the Offeror does not own or control any Company Securities as at the date of this Announcement:

Name	No. of Stock Units					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Stock Units	%	No. of Stock Units	%	No. of Stock Units	%
The Straits Trading Company Limited	17,395,703	6.42 ⁽¹⁾	28,715,306	10.59 ⁽¹⁾	46,111,009	17.01 ⁽¹⁾

Note:

⁽¹⁾ Calculated based on the Company's issued Stock Units of 271,152,261.

1.2 Directors of the Offeror

Save as disclosed below, none of the directors of the Offeror own or control any Company Securities as at the date of this Announcement:

(i) Stock Units

Name	No. of Stock Units					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Stock Units	%	No. of Stock Units	%	No. of Stock Units	%
Chew Gek Khim	42,000	0.01 ⁽¹⁾	-	-	42,000	0.01 ⁽¹⁾
Elizabeth Sam	15,000	n.m.	9,960	n.m.	24,960	n.m.

Notes:

⁽¹⁾ Calculated based on the Company's issued Stock Units of 271,152,261.

⁽²⁾ "n.m." means not meaningful.

(ii) Convertible Bonds

Name	Principal Amount of Convertible Bonds (\$)		
	Direct Interest	Deemed Interest	Total Interest
Chew Gek Khim	31,500	-	31,500
Elizabeth Sam	-	7,470	7,470

1.3 SCB

As at the date of this Announcement, SCB does not own or control any Company Securities.

Details of Dealings in Company Securities

2. Details of Dealings in Company Securities During the Reference Period by the Relevant Persons

2.1 The Offeror

Save as disclosed in this Announcement, the Offeror has not dealt for value in Company Securities during the Reference Period.

2.2 Directors of the Offeror

None of the directors of the Offeror have dealt for value in Company Securities during the Reference Period.

2.3 SCB

SCB has not dealt for value in Company Securities during the Reference Period.

PART 2

Details of Holdings in Offeror Securities

1. Offeror Securities held by the Relevant Persons as at the date of this Announcement

1.1 The Offeror

As at the date of this Announcement, the Offeror does not hold any Offeror Shares as treasury Shares.

1.2 Directors of the Offeror

Save as disclosed below, none of the directors of the Offeror own or control any Offeror Securities as at the date of this Announcement.

Name	No. of Offeror Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Offeror Shares	%	No. of Offeror Shares	%	No. of Offeror Shares	%
Chew Gek Khim	41,200	0.01 ⁽¹⁾	-	-	41,200	0.01 ⁽¹⁾
Chew Gek Hiang	23,000	n.m. ⁽²⁾	-	-	23,000	n.m. ⁽²⁾

Notes:

⁽¹⁾ Calculated based on the Offeror's issued shares of 325,897,000.

⁽²⁾ "n.m." means not meaningful.

1.3 SCB

As at the date of this Announcement, SCB does not own or control any Offeror Securities.

Details of Dealings in Offeror Securities

2. Details of Dealings in Offeror Securities During the Reference Period by the Relevant Persons

2.1 The Offeror

The Offeror has not dealt for value in any Offeror Securities during the Reference Period.

2.2 Directors of the Offeror

None of the directors of the Offeror has dealt for value in any Offeror Securities during the Reference Period.

2.3 SCB

SCB has not dealt for value in any Offeror Securities during the Reference Period.