



GREAT EASTERN HOLDINGS LIMITED

(Incorporated in Singapore)

(Company Registration Number: 199903008M)

**PROPOSED MERGER OF THE ASSET MANAGEMENT OPERATIONS OF
STRAITS LION ASSET MANAGEMENT LIMITED AND
OCBC ASSET MANAGEMENT LIMITED**

Great Eastern Holdings Limited ("**GEH**") refers to the announcement ("**Announcement**") dated 7 February 2005 relating to its discussions with its parent company, Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), on the rationalising and merging of the asset management operations of GEH's 80%-held subsidiary, Straits Lion Asset Management Limited ("**SLAM**") and OCBC's subsidiary, OCBC Asset Management Limited ("**OAM**"), and the announcement made by OCBC Bank today in relation to the same.

GEH wishes to announce that further to the Announcement, SLAM and OAM have agreed to merge their businesses, and the following transactions ("**Transactions**") have been entered into:

- (1) SLAM has entered into a conditional sale and purchase agreement with Orient Holdings Private Limited ("**Orient**"), a wholly-owned subsidiary of OCBC Bank, under which Orient will transfer the entire share capital of OAM to SLAM for a consideration of approximately S\$15.95 million, to be satisfied by the issuance of 973,048 new shares in the capital of SLAM at a price of approximately S\$16.39 per SLAM share. The consideration was arrived at based on the latest audited net asset values of SLAM and OAM respectively. The sale and purchase agreement is conditional upon all consents, approvals and waivers from third parties for the transfer of OAM and/or change in shareholding of OAM having been obtained (if required); and
- (2) SLAM and OAM have entered into agreements to transfer their respective stakes in the following companies which will not be directly involved in the asset management business of SLAM and OAM:
 - (a) SLAM has entered into a sale and purchase agreement to sell its 34% stake in Alpha Financial Advisers Private Limited ("**Alpha**") to Great Eastern International Private Limited ("**GEI**"), which is a wholly-owned subsidiary of GEH, for a cash consideration of S\$623,313.69 based on the latest audited net asset value of Alpha; and
 - (b) OAM has entered into a sale and purchase agreement to sell its 20% stake in Singapore Consortium Investment Management Limited to OCBC Bank for a cash consideration of S\$376,380.

SLAM, Alpha and OAM have each obtained the approval of the Monetary Authority of Singapore for the Transactions.

As at the date of this announcement, GEH and The Straits Trading Company Limited ("STC") hold 80% and 20% of SLAM respectively. Upon the completion of the Transactions, GEH, Orient and STC will each hold approximately 60.4%, 24.5% and 15.1% of SLAM respectively and SLAM will hold 100% of OAM. GEH will hold 100% of Alpha through its subsidiary GEI.

SLAM and OAM plan to integrate their respective asset management operations and an appropriate announcement on details of the integration will be made in due course.

Financial Effects

The Transactions are not expected to have a material impact on the net tangible assets or earnings per share of GEH or the GEH Group for the current financial year.

Interests of Directors and Substantial Shareholders

The Company's Directors, Mr Michael Wong Pakshong and Tan Sri Dato' Dr Lin See-Yan are also Directors of STC. Mr Michael Wong Pakshong, Dr Cheong Choong Kong, Mr David Conner, Mr Lee Seng Wee and Professor Neo Boon Siong are also Directors of OCBC Bank. Lee Foundation and Selat (Pte) Ltd, both of which are substantial stockholders of OCBC Bank and are affiliated to Mr Lee Seng Wee, hold in aggregate approximately 5.6% of the issued share capital of STC as at the date of this announcement. Mr Michael Wong Pakshong, Dr Cheong Choong Kong, Mr David Conner, Mr Lee Seng Wee, Tan Sri Dato' Dr Lin See-Yan and Professor Neo Boon Siong have abstained from participating in the decisions relating to the Transactions. OCBC Bank, a substantial shareholder of GEH, holds approximately 81.1% in GEH. Save as disclosed above, none of the Directors or substantial shareholders of GEH has any interest, direct or indirect, in the Transactions.

Issued by
Great Eastern Holdings Limited

Elizabeth Teoh
Company Secretary

Singapore
8 June 2005