



OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Singapore)

(Company Registration Number: 193200032W)

PROPOSED DIVESTMENT OF 29.9% SHAREHOLDING IN ROBINSON AND COMPANY, LIMITED

1. INTRODUCTION

- 1.1 Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**" or the "**Bank**") wishes to announce that the Bank, together with Orient Holdings Private Limited ("**OHPL**") (a wholly-owned subsidiary of the Bank) (the "**OCBC Entities**") and certain wholly-owned subsidiaries of Great Eastern Holdings Limited (the "**GEH Entities**") (collectively, the "**Vendors**") have today entered into a conditional sale and purchase agreement (the "**Sale Agreement**") with Red Oasis Pte. Ltd. (the "**Purchaser**") pursuant to which the Vendors have agreed to sell to the Purchaser 25,705,481 ordinary stocks (the "**Sale Stocks**") in the capital of Robinson and Company, Limited ("**Robinsons**"), representing approximately 29.9% of the total number of issued shares in Robinsons for a total cash consideration (the "**Purchase Consideration**") of S\$203,073,299.90 (equivalent to S\$7.90 per Sale Stock) (the "**Divestment**").
- 1.2 Robinsons, which is a public company listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), is an investment holding company whose subsidiaries are involved in the retail, department store and specialty store business. Robinsons is the flagship brand of departmental stores for the Robinsons group. The Robinsons group manages retail operations under the business names "Robinsons" and "John Little", as well as operates "Marks and Spencer" under franchise arrangements in Singapore and Malaysia.
- 1.3 Following the completion of the Divestment, OCBC Bank would be in compliance with the legal and regulatory requirements relating to the segregation of financial and non-financial businesses in respect of its shareholding interest in Robinsons.

2. **THE DIVESTMENT**

- 2.1 As at the date of this Announcement, the Bank and its subsidiaries (the "**OCBC Group**") hold in aggregate approximately 35.96% of the total number of issued shares in Robinsons. The OCBC Entities and the GEH Entities will sell to the Purchaser the number of Sale Stocks set out below:-

	Current holdings in Robinsons		The Divestment		
	<u>Number of stocks held</u>	<u>Percentage holding</u>	<u>Number of Sale Stocks</u>	<u>Percentage to be sold</u>	<u>Consideration</u>
OCBC Entities ⁽¹⁾	14,473,250	16.84%	12,033,250	14.0%	S\$95 million
GEH Entities	16,432,231	19.12%	13,672,231	15.9%	S\$108 million
Total	30,905,481	35.96%	25,705,481	29.9%	S\$203 million

Note:

(1) Includes stocks in Robinsons held by Eastern Realty Company Limited, a wholly-owned subsidiary of the Bank.

- 2.2 The Purchaser is a subsidiary of Auric Pacific Group Limited ("APGL"), a company incorporated in Singapore and whose shares are listed on the SGX-ST.
- 2.3 The OCBC Group appointed Credit Suisse (Singapore) Limited ("Credit Suisse") to advise on a sale process to divest part or all of their combined stake in Robinsons. The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis following the completion of the sale process taking into account, *inter alia*, the franchise value and share price of Robinsons. The average historical book cost per Sale Stock as at 31 December 2005 was S\$0.43. The unaudited consolidated net tangible asset value per Sale Stock as at 31 December 2005 as reported by Robinsons was S\$3.33. The last transacted price of the stock units of Robinsons on the SGX-ST as at 13 April 2006 was S\$6.75.
- 2.4 The Purchase Consideration will be payable to each of the Vendors according to their respective shareholdings in Robinsons on completion of the Divestment.

3. CONDITION TO THE PROPOSED TRANSACTION

- 3.1 The completion of the transaction is conditional upon the approval of the shareholders of APGL in general meeting (the "EGM") having been obtained (the "EGM Approval"). Certain shareholders of APGL which hold in the aggregate approximately 51.2% of the total number of issued shares of APGL as at the date of this Announcement, have each undertaken to vote or procure votes in favour of all the resolutions to be proposed at the EGM. In addition, APGL has undertaken to convene the EGM promptly to seek the approval of its shareholders for the investment in Robinsons. The EGM Approval has to be obtained on or before 16 June 2006 or such other date as the parties may mutually agree in writing.

4. RATIONALE FOR THE DIVESTMENT

- 4.1 The OCBC Group has a total shareholding of approximately 35.96% of the total number of issued shares of Robinsons. Under the Banking Act and Banking Regulations, Singapore-incorporated banks are required to reduce their interests, including those of its affiliated entities, in non-financial businesses to not more than 10% by July 2006.

- 4.2 In light of the above regulatory requirement to divest non-financial businesses, OCBC Bank has been exploring options to meet such requirement and, at the same time, maximise value to shareholders. Accordingly, it decided to pursue a divestment of the group's shareholding in Robinsons. The OCBC Group then appointed Credit Suisse to advise on a sale process to divest part or all of their combined stake. Following the closing of such process, the OCBC Group decided to undertake the Divestment so as to unlock value from a significant part of their shareholding in Robinsons.
- 4.3 The Divestment is also in line with OCBC Bank's stated objective of realizing gains on its non-core assets over time so as to invest in core financial services growth opportunities.

5. FINANCIAL EFFECTS OF THE DIVESTMENT

- 5.1 The OCBC Group will realize a gain of approximately S\$98 million arising from the Divestment.
- 5.2 For illustrative purposes only, based on the audited consolidated financial statements of the OCBC Group for the financial year ended 31 December 2005, the financial effects of the proposed Divestment would be as follows:-

	Before Divestment	After Divestment
Total shareholders' fund (NAV) (S\$ million)	12,338	12,363
Net profit attributable to shareholders (S\$ million)	1,298	1,396
Financial ratios		
NAV per ordinary share (S\$)	3.67	3.68
Earnings per ordinary share (S\$)	0.40	0.43

6. DIRECTORS' AND CONTROLLING STOCKHOLDERS' INTERESTS

- 6.1 None of the Directors or controlling stockholders of OCBC Bank has any interest, direct or indirect, in the Divestment.

7. DOCUMENTS FOR INSPECTION

- 7.1 A copy of the Agreement is available for inspection by OCBC Bank's stockholders during normal business hours from 9.00 a.m. to 6.00 p.m. at the registered office of OCBC Bank at 65 Chulia Street, #29-00 OCBC Centre, Singapore 049513, for a period of three (3) months from the date of this Announcement.

8. FINANCIAL AND LEGAL ADVISERS

- 8.1 OCBC Bank has appointed Credit Suisse and Messrs Rajah & Tann as its financial adviser and legal adviser respectively, in relation to the Divestment.

Issued by
OVERSEA-CHINESE BANKING CORPORATION LIMITED

Peter Yeoh
Company Secretary
13 April 2006