

OVERSEA-CHINESE BANKING CORPORATION LIMITED
(Incorporated in the Republic of Singapore)

**PROPOSED DIVESTMENT OF 2.27% SHAREHOLDING IN WBL CORPORATION LIMITED
BY WAY OF SELECTIVE CAPITAL REDUCTION
TO BE UNDERTAKEN BY WBL CORPORATION LIMITED**

INTRODUCTION

Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”) refers to the announcement released by WBL Corporation Limited (“**WBL**”) today in relation to its proposed selective capital reduction (the “**Selective Capital Reduction**”) to cancel 3,925,000 ordinary stock units of S\$1 each in the capital of WBL (the “**WBL Stock Units**”) held by OCBC Bank and its subsidiaries (“**OCBC**”), representing approximately 2.27% of the current issued ordinary share capital of WBL, and to make a cash distribution to OCBC.

Following the completion of the proposed transaction, OCBC will comply with the Monetary Authority of Singapore’s requirement on the divestment of its interests in non-financial businesses with respect to WBL.

The Selective Capital Reduction will be effected under Section 73 of the Companies Act, Chapter 50 and, pursuant thereto, WBL will cancel 3,925,000 WBL Stock Units held by OCBC and make a cash distribution of S\$2.23 for each WBL Stock Unit cancelled.

The cash distribution of S\$2.23 per WBL Stock Unit cancelled has been calculated based on the average of the last transacted prices of the WBL Stock Units traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the 5 trading days from (and including) 4 August 2003 to (and including) 8 August 2003. The aggregate amount of the cash distribution for the WBL Stock Units so cancelled is S\$8,752,750.

A copy of the announcement by WBL of the Selective Capital Reduction is available on the website of the SGX-ST at www.sgx.com.

RATIONALE

Based on applicable regulatory guidelines, OCBC and its affiliates have a shareholding of approximately 12.04% in total in the issued share capital of WBL, which is required to be reduced to the maximum permissible shareholding of 10% by July 2004. To comply with the requirements, OCBC and its affiliates therefore have to divest at least a 2.04% stake in WBL.

OCBC has explored several options for the divestment of its holding in WBL in order to comply with regulatory requirements, including a market placement or market sale. But given the relatively low liquidity of WBL Stock Units, market placements or sales in the open market would probably have to be transacted at below market price, which would not benefit OCBC Bank shareholders.

OCBC believes that the Selective Capital Reduction is a better option to enable OCBC to comply with applicable regulatory requirements. At the same time it allows WBL to achieve its objective of enhancing shareholders' value through improved earnings per share. As WBL's issued share capital will be reduced following the Selective Capital Reduction, OCBC needs to divest 2.27% of its current shareholding in WBL in order to bring its relevant shareholding to not more than 10% after the exercise.

FINANCIAL EFFECTS

The Selective Capital Reduction is not expected to have any material impact on the consolidated earnings and net tangible assets of OCBC.

APPROVALS

The Selective Capital Reduction undertaken by WBL is conditional upon the following:

- (a) the passing of a special resolution of the stockholders of WBL approving the Selective Capital Reduction at the extraordinary general meeting to be convened by WBL (the "**WBL EGM**");
- (b) the approval and confirmation of the High Court of Singapore for the Selective Capital Reduction; and
- (c) the approval of all other relevant regulatory authorities.

OCBC and its associates will abstain from voting on the special resolution in respect of the Selective Capital Reduction at the WBL EGM.

BY ORDER OF THE BOARD

Peter Yeoh
Secretary
Oversea-Chinese Banking Corporation Limited

11 August 2003