



VOLUNTARY UNCONDITIONAL CASH OFFER

by

Oversea-Chinese Banking Corporation Limited
(Incorporated in Singapore)
(Co. Reg. No: 193200032W)

for

Great Eastern Holdings Limited
(Incorporated in Singapore)
(Co. Reg. No: 199903008M)

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1 The Offer. Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**" or the "**Offeror**") wishes to announce that it intends to make a voluntary unconditional cash offer (the "**Offer**") for all issued ordinary shares ("**Shares**") in the capital of Great Eastern Holdings Limited ("**GEH**" or the "**Company**") not already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror.

1.2 Aggregate Holding. As at the date of this Announcement, subject to further enquiries to be made as described in paragraph 8.4 of this Announcement, the Offeror and the Relevant Persons (as defined in paragraph 8.1 below) own or control 393,525,777 Shares, representing approximately 83.1 per cent. of the Shares in the capital of GEH¹.

2. THE OFFER

2.1 Terms. The Offeror will make the Offer on the following terms:

- (i) The Offeror will make the Offer for all the Shares 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 this Announcement (the "**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code.
- (ii) The Offer will be on the following basis:

For each Offer Share: S\$16.00 in cash (the "Offer Price").

¹ In this Announcement, the issued and paid-up share capital of GEH used is S\$236.7 million, comprising 473,319,069 Shares (as extracted from the annual report of GEH for the financial year ended 31 December 2005).

(iii) The Offer Shares will be acquired (a) fully paid; (b) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by GEH on or after the date of this Announcement.

(iv) **The Offeror does not intend to revise the terms of the Offer.**

2.2 No Condition. The Offer will be unconditional in all respects.

2.3 Overseas Shareholders. The availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders of GEH who are not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdiction. Further details in relation to shareholders of GEH who are not resident in Singapore will be contained in the Offer Document (as defined in paragraph 13 below).

3. DESCRIPTION OF THE OFFEROR

OCBC Bank was incorporated in Singapore in October 1932 to carry on the business of banking and finance. OCBC Bank is the successor to The Chinese Commercial Bank Limited, The Ho Hong Bank Limited and Oversea-Chinese Bank Limited.

OCBC Bank and its subsidiaries (the “**OCBC Group**”) offer a wide range of specialist financial services including consumer, corporate, investment, private and transaction banking, treasury and stockbroking services. The OCBC Group has total assets of S\$131 billion as at 31 December 2005, with more than 310 branches and representative offices in 15 countries and territories, including Singapore, Malaysia, Indonesia, China, Hong Kong SAR, Vietnam, Brunei, Japan, Australia, UK and USA. This network includes more than 200 branches and offices in Indonesia operated by OCBC Bank’s subsidiary, P.T. Bank NISP Tbk (“**Bank NISP**”).

The OCBC Group is one of the largest financial institutions in the combined Singapore-Malaysia market in terms of assets. In Malaysia, OCBC Bank’s wholly-owned subsidiary, OCBC Bank (Malaysia) Bhd is ranked as one of the largest foreign banks in Malaysia by assets and loans. OCBC Bank’s 83.1 per cent. owned subsidiary, GEH, is the largest insurance group in both Singapore and Malaysia in terms of assets and market share. GEH’s asset management subsidiary, Lion Capital Management Ltd, is one of the largest asset management companies in Southeast Asia with S\$32 billion in assets under management. In Indonesia, OCBC Bank owns 72.3 per cent. of OCBC Bank NISP, the 14th largest Indonesian bank by assets as at 31 December 2005.

4. DESCRIPTION OF GEH

GEH, which is listed in Singapore, is an investment holding company and a substantially-owned subsidiary of OCBC Bank. It is the largest insurance group in Singapore and Malaysia, with more than S\$39 billion in assets (as at 31 December

2005) and over 2.6 million policyholders. It is the market leader in both Singapore and Malaysia and has two successful distribution channels (tied agency and bancassurance). Through its subsidiary, Lion Capital Management Ltd, it also engages in the business of asset management.

5. RATIONALE FOR THE OFFER

- 5.1** The acquisition in 2004 of a majority stake in GEH, being the largest insurance group in Singapore and Malaysia, has transformed the OCBC Group into a bigger, stronger and balanced financial services group, boosting its total assets to S\$131 billion as at 31 December 2005, making the OCBC Group the largest financial institution in terms of assets in the combined Singapore-Malaysia markets. The inclusion of GEH's insurance business has helped to diversify the OCBC Group's income sources.

With the recent gains from divestment of non-core assets, OCBC Bank intends to use a portion of its surplus capital to increase its investment in GEH through the Offer. OCBC Bank believes an increased stake in GEH will enable OCBC Bank to capture a larger share of the value arising from the continuing co-operation and collaboration with GEH in bancassurance, wealth management and other business areas.

- 5.2** The trading liquidity of the Shares has generally been thin. The average daily trading volume of the Shares has been approximately 32,000 Shares over the 12-month period prior to the date of this Announcement, representing approximately 0.007 per cent. of the issued share capital of GEH.

The proposed Offer will provide an opportunity for the remaining shareholders of GEH to realise their investments for a cash consideration at a premium over the market prices of the Shares prior to the date of this Announcement, an opportunity that would otherwise not be available given the low liquidity of the Shares.

6. THE OFFEROR'S INTENTIONS FOR GEH

- 6.1 The Offeror's Future Plans for GEH.** It is the intention of the Offeror to continue to develop and grow the businesses of GEH and its subsidiaries (the "**GEH Group**") and pursue opportunities for revenue synergies, particularly in the areas of wealth management, bancassurance, credit cards and housing loans. The Offeror also intends to explore opportunities for cost synergies such as shared services, where appropriate. Save for the foregoing, the Offeror currently has no intention to introduce any major changes to the businesses of the GEH Group or the continued employment of the employees of the GEH Group or to redeploy or otherwise realise the fixed assets of the GEH Group.

- 6.2 Listing Status of GEH.** Under Rule 1105 of the Listing Manual (the "**Listing Manual**") of Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), in the event that the Offeror or parties acting in concert with it should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the issued Shares, the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least ten per cent. of the issued Shares are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724 of the Listing Manual, if the percentage of the issued Shares held in public hands falls below ten per cent., GEH must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 725 of the Listing Manual states that the SGX-ST may allow GEH a period of three months, or such longer period as the SGX-ST may agree, for the proportion of issued Shares held by members of the public to be raised to at least ten per cent. failing which GEH may be de-listed from the SGX-ST.

In the event GEH does not meet the requirements under Rule 724 of the Listing Manual, the Offeror does not intend to maintain the present listing status of GEH. The Offeror will also exercise its right of compulsory acquisition (if applicable) as described in paragraph 6.3 below.

- 6.3 Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) if the Offeror receives valid acceptances of the Offer or acquires the Offer Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of this Announcement), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of shareholders of GEH who have not accepted the Offer (“**Dissenting Shareholders**”).

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist GEH from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

- 6.4 Offer Document.** Further information on the Offeror’s future plans for GEH will be set out in the Offer Document.

7. FINANCIAL ASPECTS OF THE OFFER

7.1 Determination of the Offer Price. In arriving at the Offer Price, the Offeror took into account, *inter alia*, the premiums offered by the Offer Price over various prices at which the Shares were trading on the SGX-ST during certain periods (as detailed in paragraph 7.2 below).

7.2 Comparison with the Offer Price. The Offer Price²:

- (i) represents a premium of approximately 14.29 per cent. to the last transacted price of S\$14.000 per Share as quoted on the SGX-ST on 27 June 2006 (being the last market day on which there were trades on the SGX-ST prior to the date of this Announcement);
- (ii) represents a premium of approximately 14.38 per cent. to the average closing price of approximately S\$13.989 per Share on the SGX-ST for the one-month period prior to the date of this Announcement;
- (iii) represents a premium of approximately 14.05 per cent. to the average closing price of approximately S\$14.029 per Share on the SGX-ST for the three-month period prior to the date of this Announcement; and
- (iv) represents a premium of approximately 12.50 per cent. over the average closing price of approximately S\$14.222 per Share on the SGX-ST for the six-month period prior to the date of this Announcement.

7.3 Comparison of the Offer Price to Price/Embedded Value. The Offer Price implies a Price/Embedded Value ratio of 1.51 times, based on the Embedded Value of GEH of S\$10.598 per Share as at 31 December 2005.

7.4 Additional Information. Further information on the financial aspects of the Offer will be set out in the Offer Document.

8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

8.1 Shareholdings and Dealings. Appendix 1 to this Announcement sets out:

- (a) the number of Shares owned, controlled or agreed to be acquired by the Offeror, the wholly-owned subsidiaries of the Offeror and the Directors of the Offeror (each of the wholly-owned subsidiaries of the Offeror and Directors of the Offeror, a “**Relevant Person**”) as at the date of this Announcement; and
- (b) the dealings in Shares by the Offeror and the Relevant Persons during the six-month period immediately preceding the date of this Announcement (the “**Reference Period**”).

²

The figures set out in paragraph 7.2 are based on data extracted from Bloomberg and does not include the after-market married deal of 240,000 Shares transacted at S\$13.95 on 27 June 2006. There were no trades transacted on 28 June 2006.

- 8.2 No Other Holdings.** Save as disclosed in this Announcement, neither the Offeror, nor the Relevant Persons own, control or have agreed to acquire any Shares or securities which carry voting rights in GEH or are convertible into Shares or securities which carry voting rights in GEH, or rights to subscribe for, or options in respect of, Shares or such securities.
- 8.3 No Dealings or Irrevocable Undertakings.** As at the date of this Announcement, save as disclosed below, neither of the Offeror nor the Relevant Persons (i) has dealt for value in any Shares during the Reference Period or (ii) has received any irrevocable undertaking from any party to accept or reject the Offer.
- 8.4 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. Further enquiries will be made of such persons and the relevant disclosures will be made in the Offer Document.

9. FINANCIAL EFFECTS

- 9.1 Assumptions.** For illustrative purposes only, the financial effects of the Offer on the share capital, earnings per share and net tangible assets (“**NTA**”) per share of OCBC Bank, based on the audited consolidated financial statements of OCBC Bank for the financial year ended 31 December 2005 and the unaudited consolidated financial results of OCBC Bank for the three months ended 31 March 2006 respectively are set out below. The analysis considers the following scenarios:
- (1) where the number of Shares tendered in acceptance of the Offer results in OCBC Bank holding in aggregate 88 per cent. of the issued share capital of GEH (“**88% Acceptance Level**”);
 - (2) where the number of Shares tendered in acceptance of the Offer results in OCBC Bank holding in aggregate 95 per cent. of the issued share capital of GEH (“**95% Acceptance Level**”); and
 - (3) where the number of Shares tendered in acceptance of the Offer results in OCBC Bank holding in aggregate 100 per cent. of the issued share capital of GEH (“**100% Acceptance Level**”).
- 9.2 Share capital.** The Offer will not have any impact on the issued and paid-up share capital of OCBC Bank.

- 9.3 NTA.** Assuming that the Offer had been completed on 31 December 2005, being the end of most recently completed financial year, the effect on the NTA per share of the Offeror as at 31 December 2005 is as follows:

	Before the Offer	After the Offer		
		88% Acceptance Level	95% Acceptance Level	100% Acceptance Level
NTA (S\$'000)	8,105,327	7,878,510	7,551,700	7,318,265
NTA per share (S\$)	2.60	2.52	2.42	2.35

Assuming that the Offer had been completed on 31 March 2006, the effect on the NTA per share of the Offeror as at 31 March 2006 is as follows:

	Before the Offer	After the Offer		
		88% Acceptance Level	95% Acceptance Level	100% Acceptance Level
NTA (S\$'000)	8,435,161	8,197,868	7,855,965	7,618,542
NTA per share (S\$)	2.71	2.64	2.53	2.45

- 9.4 Earnings.** Assuming that the Offer had been completed on 1 January 2005, being the beginning of the most recently completed financial year, the effect on the earnings per share of the Offeror for the financial year ended 31 December 2005 is as follows:

	Before the Offer	After the Offer		
		88% Acceptance Level	95% Acceptance Level	100% Acceptance Level
Profit attributable to shareholders of OCBC Bank (S\$'000)	1,261,212	1,267,511	1,276,587	1,283,070
Weighted average number of OCBC Bank shares ('000)	3,146,635	3,146,635	3,146,635	3,146,635
Earnings per share (S\$)	0.40	0.40	0.41	0.41

Assuming that the Offer had been completed on 1 January 2006, the effect on the earnings per share of the Offeror for the three months ended 31 March 2006 is as follows:

	Before the Offer	After the Offer		
		88% Acceptance Level	95% Acceptance Level	100% Acceptance Level
Profit attributable to shareholders of OCBC Bank (S\$'000)	318,597	318,710	318,873	325,782
Weighted average number of OCBC Bank shares ('000)	3,114,126	3,114,126	3,114,126	3,114,126
Earnings per share (S\$)	0.41	0.42	0.42	0.42

10. DISCLOSEABLE TRANSACTION

The relative figures for the Offer computed on the relevant bases set out in Rule 1006 ("Rule 1006") of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures
(b)	Net profits ⁽¹⁾ attributable to the Offer Shares compared with net profits of OCBC Bank and its subsidiaries for the financial year ended 31 December 2005	4.37%
(c)	The aggregate consideration ⁽²⁾ being offered for the Offer Shares compared with market capitalisation ⁽³⁾ of OCBC Bank as at 28 June 2006	6.43%

Notes:

⁽¹⁾ Net profits is defined as profit before income tax, minority interests and extraordinary items. The aggregate net profits attributable to the Offer Shares is approximately S\$74.55 million;

⁽²⁾ Assuming all the Offer Shares are tendered in acceptance of the Offer, the aggregate consideration being offered for the Offer Shares is approximately S\$1.28 billion. The Offeror will be using its internal resources to fund the Offer.

⁽³⁾ The market capitalisation of OCBC Bank is based upon 3,124,854,214 shares of OCBC Bank in issue as at 28 June 2006 at a weighted average price of S\$6.35 per share of OCBC Bank.

As the relative figure under Rule 1006(c) exceeds 5 per cent. but does not exceed 20 per cent., the Offer constitutes a discloseable transaction as defined in Chapter 10 of the Listing Manual.

11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

11.1 Directors. As at the date of this Announcement, Dr Cheong Choong Kong, Mr Michael Wong Pakshong, Mr David Conner, Mr Lee Seng Wee and Professor Neo Boon Siong, all of whom are Directors of the Offeror, are also directors of GEH.

In addition, Mr Michael Wong Pakshong is the chairman of GEH and a director of certain other subsidiaries of GEH.

The shareholdings of the Directors of the Offeror in the Shares as at the date of this Announcement are set out in paragraph 1.2 of Appendix 1 to this Announcement.

Save as disclosed, none of the Directors of the Offeror has any interest in the Offer.

11.2 Controlling Shareholders. The Lee Group (comprising Mr Lee Seng Wee, Dr Lee Tih Shih, who is a director of the Offeror and the son of Mr Lee Seng Wee, their family members and companies affiliated with them) hold in aggregate 832,140,584 shares of the Offeror, representing approximately 26.89 per cent. of the total number of voting shares in the share capital of the Offeror.

As stated in paragraph 8.4 above, apart from Mr Lee Seng Wee and Dr Lee Tih Shih who are each a Relevant Person, the Offeror has not made enquiries in respect of other parties who are or may be presumed to be acting in concert with the Offeror, including parties who may form part of the Lee Group. Further enquiries will be made of such persons and the relevant disclosures will be made in the Offer Document.

Save as disclosed, Mr Lee Seng Wee and Dr Lee Tih Shih do not have any interest in the Offer.

12. CONFIRMATION OF FINANCIAL RESOURCES

Kim Eng Securities Pte. Ltd. confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares.

13. OFFER DOCUMENT

The formal document(s), setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance (the “**Offer Document**”), will be despatched to holders of the Offer Shares not earlier than 14 days and not later than 21 days from the date of this Announcement. **The Offeror intends to keep the Offer open for acceptance for 28 days from the date the Offer Document is despatched and does not intend to extend the Offer beyond such time.**

14. 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 GEH Group), the sole responsibility of the Directors of the Offeror has been to ensure through reasonable enquires that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

Oversea-Chinese Banking Corporation Limited

29 June 2006

Any inquiries relating to this Announcement or the Offer should be directed to the following individuals:

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Appendix 1

HOLDINGS AND DEALINGS IN THE SHARES

Details of Holdings in the Shares

1. Holdings in the Shares of the Offeror, the Directors of the Offeror and the wholly-owned subsidiaries of the Offeror as at the date of this Announcement

1.1 The Offeror

As at the date of this Announcement, the Offeror directly holds 383,466,558 Shares.

1.2 Directors of the Offeror

As at the date of this Announcement, the interests in the Shares of the Directors of the Offeror are set out below:

Name	Number of Shares	
	Direct Interest	Deemed Interest
Cheong Choong Kong	-	-
Michael Wong Pakshong	75,160	36,000
Bobby Chin	-	-
David Conner	-	-
Giam Chin Toon	-	-
Lee Seng Wee	-	-
Lee Tih Shih	-	-
Nasruddin Bin Bahari	-	-
Neo Boon Siong	-	-
Pramukti Surjaudaja	-	-
Tsao Yuan	-	-
David Wong Cheong Fook	-	-
Wong Nang Jang	-	-
Patrick Yeoh Khwai Hoh	-	-

1.3 The wholly-owned subsidiaries of the Offeror

As at the date of this Announcement, the holdings in the Shares of the wholly-owned subsidiaries are set out below:

Name	Number of Shares ⁽¹⁾
Eastern Realty Company Limited	9,425,619
Singapore Building Corporation Limited	633,600

Note:

⁽¹⁾ Direct shareholdings.

Details of Dealings in the Shares

2. Details of the Dealings in the Shares During the Reference Period

2.1 The Offeror

The details of the dealings in the Shares by the Offeror during the Reference Period are set out below:

Name	Date	Number of Shares Bought	Transaction Price per Share (S\$)
OCBC Bank	13/2/2006	2,070,000	See Note 1
OCBC Bank	24/2/2006	500,000	See Note 1
OCBC Bank	17/5/2006	199,000	14.0000
OCBC Bank	1/6/2006	837,000	13.9836
OCBC Bank	27/6/2006	240,000	13.9500

Note:

⁽¹⁾ OCBC Bank had entered into a share purchase agreement with certain individuals pursuant to which OCBC Bank had agreed to purchase an aggregate of 2,570,000 Shares, on the basis of 2.3424 new OCBC shares for each Share. Based on the foregoing share exchange ratio, the imputed price for each Share is S\$15.8112.

2.2 The wholly-owned subsidiaries of the Offeror

None of the wholly-owned subsidiaries of the Offeror dealt in the Shares during the Reference Period.

2.3 Directors of the Offeror

None of the Directors of the Offeror dealt in the Shares during the Reference Period.