

VOLUNTARY CONDITIONAL CASH OFFER

by



Oversea-Chinese Banking Corporation Limited

for and on behalf of

Lee Kim Tah Investments Pte Ltd

(Incorporated in the Republic of Singapore)

Company Registration No. 198101733K

for

all the issued ordinary shares in the capital of

Lee Kim Tah Holdings Limited

(Incorporated in the Republic of Singapore)

Company Registration No. 198200554E

OFFER ANNOUNCEMENT

1. INTRODUCTION

Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") wishes to announce, for and on behalf of Lee Kim Tah Investments Pte Ltd (the "**Offeror**") that, in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**LKTHL Shares**") in the capital of Lee Kim Tah Holdings Limited ("**LKTHL**" or the "**Company**"), including all the LKTHL Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror but excluding those already owned, controlled or agreed to be acquired by the Offeror as at the date of this announcement ("**Announcement Date**").

2. THE OFFER

2.1 Offer Terms. In accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code, subject to the terms and conditions set out in the offer document to be issued by OCBC Bank on behalf of the Offeror (the "**Offer Document**"), the Offer will be made by the Offeror on the following basis:

2.1.1 For each LKTHL Share: S\$1.08 in cash (the "Offer Price").

2.1.2 The LKTHL Shares will be acquired (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other

distributions (if any) ("**Distributions**") declared, paid or made by the Company on or after the Announcement Date.

Accordingly, if any Distribution is declared, paid or made by LKTHL on or after the Announcement Date and the Offeror is not entitled to receive and retain such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution.

2.1.3 The Offer will be extended to any and all LKTHL Shares owned, controlled or agreed to be acquired by any party acting or deemed to be acting in concert with the Offeror in connection with the Offer.

2.2 Acceptance Condition. The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of LKTHL Shares which will result in the Offeror and parties acting or deemed to be acting in concert with the Offeror holding LKTHL Shares representing not less than 90 per cent. (the "**Offer Threshold**") of all the LKTHL Shares in issue as at the close of the Offer ("**Acceptance Condition**").

As at the Announcement Date, the Offeror and parties acting or deemed to be acting in concert with the Offeror hold in aggregate 436,777,430 LKTHL Shares representing 86.41 per cent. of all the issued LKTHL Shares.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

3. INFORMATION ON LKTHL

3.1 **LKTHL.** LKTHL is a public limited company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The business of LKTHL was founded by the late Mr Lee Kim Tah ("**LKT**"). The principal business activities of LKTHL are in construction, property development and investments. As at the Announcement Date, LKTHL:

3.1.1 has 505,442,835 LKTHL Shares in issue, with no treasury shares; and

3.1.2 has not granted any options or issued any rights, warrants or other securities convertible into, exercisable for or redeemable for any LKTHL Shares.

3.2 **Directors of LKTHL.** The directors of LKTHL as at the Announcement Date are:

- (i) Mr Lee Soon Teck (Executive Chairman);
- (ii) Mr Lee Yong Chuan Edwin (Executive Director);
- (iii) Mr Lee Choi Seng (Executive Director);
- (iv) Mr Chew Heng Ching (Lead Independent Director);
- (v) Professor Lee Seng Lip (Independent Non-Executive Director); and

(vi) Mr Ramaswamy Athappan (Independent Non-Executive Director).

4. INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Singapore on 20 April 1981, and its principal activity is investment holding. As at the Announcement Date, the shareholders of the Offeror and their respective shareholdings in the Offeror are as set out below:

Name of Shareholder	No. of Shares in the Issued Capital of the Offeror (" LKTI Shares ")	Percentage of issued LKTI Shares
Mr Lee Soon Teck (" LST ")	4,506,246	18.94 per cent.
Mrs Lois Lee Nee Tay Nglat Fah	448,306	1.88 per cent.
Mr Lee Yong Chuan Edwin (" EL ")	3,766,955	15.84 per cent.
Cazcade Pty Ltd	6,224,355	26.17 per cent.
Mdm Lee Siew Lian (" LSL ")	5,977,094	25.13 per cent.
Mr Seah Peng Chua Arthur	372,870	1.57 per cent.
Mr Lee Soon Heng, Joseph	802,628	3.37 per cent.
Estate of Png Keow Ngoh, Deceased	1,033,306	4.34 per cent.
Mr Lee Sian Ghee, Alan	248,178	1.04 per cent.
Mr Lee Choi Seng (" LCS ")	315,433	1.33 per cent.
Ms Lee Mei Yin, Jean	91,991	0.39 per cent.

The board of the Offeror comprise of LST, EL, LSL and LCS. As at the Announcement Date the Offeror holds 360,602,405 LKTHL Shares representing approximately 71.34 per cent. of the issued LKTHL Shares.

5. IRREVOCABLE UNDERTAKINGS

5.1 **Irrevocable Undertakings to Accept the Offer.** Each of the persons acting in concert with the Offeror as set out in Part 3 of the Schedule (the "**Undertaking Concert Parties**") to this Announcement has provided an irrevocable undertaking (the "**Irrevocable Undertakings**") to accept the Offer in respect of the LKTHL Shares held by each of them prior to and up to the close of the Offer. As at the Announcement Date, the Undertaking Concert Parties hold in aggregate 56,781,141 LKTHL Shares (the "**Deferred Consideration Shares**"), representing approximately 11.24 per cent. of the issued LKTHL Shares. The Irrevocable Undertakings will lapse if the Offer is withdrawn, lapses or does not become unconditional. A list of the Undertaking Concert Parties and the LKTHL Shares to be tendered in acceptance of the Offer is set out in Part 3 of the Schedule to this Announcement.

5.2 **Deferred Consideration.** In addition, pursuant to the terms of the Irrevocable Undertakings, each of the Undertaking Concert Parties will tender their LKTHL Shares unconditionally in

acceptance of the Offer and also waive their right to receive the cash consideration within the stipulated timeline under the Code. The Undertaking Concert Parties have agreed that payment for the Deferred Consideration Shares may be deferred to a date falling 12 months from the close of the Offer.

6. RATIONALE FOR THE OFFER

The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Group, reduce its costs of compliance and optimise the use of its management and capital resources.

In the past 10 years, the Company has not carried out any equity fund raising on the SGX-ST. The Offeror is of the view that since the Company is unlikely to require access to such equity fund raising in the foreseeable future, it is therefore not necessary for the Company to maintain its listing on the SGX-ST.

The trading volume of the LKTHL Shares on the SGX-ST has been generally low. The average daily trading volume of the LKTHL Shares on the SGX-ST over 12 months up to and including the Last Trading Date (as defined below) has been approximately 12,600 LKTHL Shares (based on total number of LKTHL Shares traded divided by the number of market days), representing less than 0.1 per cent. of the issued LKTHL Shares, and the Offeror is of the view that this may not provide Shareholders with sufficient opportunity to efficiently exit their investment in the Company.

7. LISTING STATUS

- 7.1 **Free Float Requirement.** Pursuant to Rule 723 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), LKTHL must ensure that at least 10 per cent. of the total number of LKTHL Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of LKTHL Shares (excluding treasury shares), the SGX-ST may suspend the trading of the LKTHL Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the LKTHL Shares on the SGX-ST. Rule 724(2) of the Listing Manual 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 the LKTHL Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

- 7.2 **Intention of the Offeror.** The Offeror is making the Offer with the intention of privatising the Company. In the event the Company does not meet the Free Float Requirement as at the close of the Offer and the SGX-ST suspends trading of the LKTHL Shares, the Offeror does not intend to maintain the present listing status of the Company and, accordingly, does not

intend to place out any LKTHL Shares held by the Offeror to members of the public to meet the Free Float Requirement. In addition, the Offeror does not intend to support any action by the Company to meet the Free Float Requirement.

8. COMPULSORY ACQUISITION

- 8.1 **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 LKTHL Shares from the date of the despatch of the Offer Document (as defined below) otherwise than through valid acceptances of the Offer, in respect of not less than 90 per cent. of the total number of LKTHL Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of despatch of the Offer Document), the Offeror will be entitled to exercise its right to compulsorily acquire, at the Offer Price, all LKTHL Shares held by Shareholders who have not accepted the Offer (“**Dissenting Shareholders**”).

In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act, the Offeror intends to exercise its right to compulsorily acquire all the LKTHL Shares not acquired under the Offer.

- 8.2 **Section 215(3).** In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90 per cent. or more of the total number of issued LKTHL Shares, the Dissenting Shareholders have the right to require the Offeror to acquire their LKTHL Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

9. FINANCIAL EVALUATION OF THE OFFER

The Offer Price of S\$1.08 represents:

	Benchmark Price (S\$)	Premium (%) ⁽¹⁾
Last traded price per LKTHL Share as quoted on the SGX-ST on 24 September 2014 (being the last market day prior to the date of this Announcement (the “ Last Trading Date ”))	1.015	6.40
Volume-weighted average price (“ VWAP ”) of the LKTHL Shares for the one-month period up to and including the Last Trading Date	0.9657	11.84
VWAP of the LKTHL Shares for the three-month period up to and including the Last Trading Date	0.9614	12.34
VWAP of the LKTHL Shares for the six-month period up to and including the Last Trading Date	0.9520	13.45
VWAP of the LKTHL Shares for the 12-month period up to and including the Last Trading Date	0.9390	15.02

Source: Bloomberg LP

Note:

- (1) For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.

10. DISCLOSURE OF HOLDINGS AND DEALINGS

- 10.1 **Holdings.** Part 1 of the Schedule to this Announcement sets out the number of Relevant Securities (as defined below) owned, controlled or agreed to be acquired by (i) the Offeror and its directors, (ii) the other concert parties of the Offeror named in Part 1 of the Schedule to this Announcement and (iii) OCBC Bank (excluding its subsidiaries and any other members of the OCBC Group (as defined below)) (each a “**Relevant Person**”) as at the Announcement Date.

Save as disclosed in this Announcement, none of the Relevant Persons owns, controls or has agreed to acquire any (i) LKTHL Shares or (ii) convertible securities, warrants, options or derivatives in respect of LKTHL Shares (collectively, the “**Relevant Securities**”).

For the purposes of this Announcement, “**OCBC Group**” refers to OCBC Bank, its related corporations (as defined in the Companies Act) and associated companies controlled by OCBC Bank.

- 10.2 **Dealings.** None of the Relevant Persons has dealt for value in any Relevant Securities in the three months prior to the Announcement Date (the “**Relevant Period**”).
- 10.3 **Other Arrangements.** Save as disclosed in Part 2 of the Schedule to this Announcement, none of the Relevant Persons has, in respect of any Relevant Securities:

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

10.4 **Irrevocable Undertakings.** Save as disclosed in Part 3 of the Schedule to this Announcement, neither the Offeror nor any of the Relevant Persons has received any irrevocable undertakings from any party to accept or reject the Offer.

10.5 **Confidentiality.** In the interest of confidentiality, the Offeror has not made enquiries prior to this Announcement in respect of other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer pursuant to the Code. Similarly, OCBC Bank has not made enquiries in respect of other parties who are or may be presumed to be acting in concert with OCBC Bank in connection with the Offer. Further enquiries will be made of such persons subsequent to this Announcement and the relevant disclosures will be made in due course and in the Offer Document.

11. **CONFIRMATION OF FINANCIAL RESOURCES**

OCBC Bank, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer (excluding the deferred consideration payable for the LKTHL Shares to be tendered by the Deferred Consideration Undertaking Concert Parties in acceptance of the Offer).

12. **DOCUMENTS FOR INSPECTION**

Copies of the Irrevocable Undertakings will be made available for inspection during normal business hours at 20 Jalan Afifi, #07-01 CISCO Centre, Singapore 409179 from the Announcement Date until the close of the Offer.

13. **OFFER DOCUMENT**

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance will be despatched to holders of Offer Shares not earlier than 14 days and not later than 21 days from the date of this Announcement.

14. **OVERSEAS SHAREHOLDERS**

The making of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register of Members of LKTHL or, as the case may be, in the records of The Central Depository (Pte) Limited (“**Overseas Shareholders**”) may be affected by laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be set out in the Offer Document.

15. **RESPONSIBILITY STATEMENT**

The directors of the Offeror (who may each 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 otherwise publicly available sources (including, without limitation, in relation to LKTHL or its subsidiaries), the sole responsibility of the directors of the Offeror have 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
Oversea-Chinese Banking Corporation Limited

For and on behalf of
Lee Kim Tah Investments Pte Ltd

25 September 2014
Singapore

IMPORTANT NOTICE

All statements other than statements of historical facts included in this announcement are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor OCBC Bank undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE

PART 1 – HOLDINGS OF RELEVANT SECURITIES

The holdings of LKTHL Shares held by the Relevant Persons as at the Announcement Date, are as follows:

Relevant Person	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Offeror	360,602,405 ⁽²⁾	71.34	-	-	360,602,405	71.34
Directors of the Offeror						
LST	14,415,000 ⁽³⁾	2.85	362,045,835 ⁽⁴⁾	71.63	376,460,835	74.48
EL	9,000,000	1.78	360,602,405 ⁽⁵⁾	71.34	369,602,405	73.12
LSL	13,000,000	2.57	361,162,405 ⁽⁶⁾	71.45	374,162,405	74.03
LCS	120,000	0.02	-	-	120,000	0.02
Concert Parties						
Lee Kim Tah Foundation	18,677,000	3.70	-	-	18,677,000	3.70
Lee Soon Kiat Holdings (Pte) Ltd.	15,280,000	3.02	-	-	15,280,000	3.02
Lois Lee Nee Tay Ngiat Fah	1,443,430	0.29	14,415,000 ⁽⁷⁾	2.85	15,858,430	3.14
Lee Mei Yin Jean	408,971	0.08	-	-	408,971	0.08
Estate of Mr Lee Soon Kiat, Deceased	581,914	0.12	375,882,405 ⁽⁸⁾	74.37	376,464,319	74.48
Lee Eng Joo Kevin	387,942	0.08	-	-	387,942	0.08
Lee Steven	387,942	0.08	-	-	387,942	0.08
Estate of Ms Lee Mei Yan Theresa, Deceased	412,942	0.08	-	-	412,942	0.08

Relevant Person	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Seah Peng Chua Arthur	560,000	0.11	13,000,000 ⁽⁹⁾	2.57	13,560,000	2.68
Audra Seah Li Khen	220,000	0.04	-	-	220,000	0.04
Jarrood Seah Chi Nam	85,000	0.02	-	-	85,000	0.02
Gordon Seah Chi Yean	1,010,942	0.20	-	-	1,010,942	0.20
Alan Lee Sian Ghee	9,971	n.m. ⁽¹⁰⁾	-	-	9,971	n.m. ⁽¹⁰⁾
Estate of Png Keow Ngoh, Deceased	173,971	0.03	-	-	173,971	0.03

Notes:

- (1) As a percentage of the total number of LKTHL Shares in issue as at the Announcement Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.
- (2) 100,000,000 LKTHL Shares are held through BNP Paribas Nominees Singapore Pte. Ltd.
- (3) 3,800,000 LKTHL Shares are held through Citibank Nominees Singapore Pte. Ltd.
- (4) LST's deemed interest arose through 360,602,405 LKTHL Shares held by LKTI and 1,443,430 LKTHL Shares held by Lois Lee Nee Tay Ngiat Fah, his spouse.
- (5) EL's deemed interest arose through 360,602,405 LKTHL Shares held by LKTI.
- (6) LSL's deemed interest arose through 360,602,405 LKTHL Shares held by LKTI and 560,000 LKTHL Shares held by Seah Peng Chua Arthur, her spouse.
- (7) Lois Lee Nee Tay Ngiat Fah's deemed interest arose through 14,415,000 LKTHL Shares held by LST, her spouse.
- (8) The deemed interest of the estate of Lee Soon Kiat arose through 15,280,000 LKTHL Shares held by Lee Soon Kiat Holdings (Pte) Ltd. and 360,602,405 LKTHL Shares held by LKTI.
- (9) Seah Peng Chua Arthur is the spouse of LSL and is deemed to have an interest in the 13,000,000 LKTHL Shares held by LSL.
- (10) Not meaningful.

PART 2 – OTHER ARRANGEMENTS

The Offeror has entered into share charge arrangements in relation to 145,000,000 LKTHL Shares in which the Offeror has a direct interest, such LKTHL Shares representing approximately 28.69 per cent. of the issued share capital of LKTHL, in connection with loan facilities granted to the Offeror.

Lee Soon Teck has entered into a share charge arrangement in relation to 3,800,000 LKTHL Shares in which Lee Soon Teck has a direct interest, such LKTHL Shares representing approximately 0.75 per cent. of the issued share capital of LKTHL, in connection with loan facilities granted to Lee Soon Teck.

PART 3 – IRREVOCABLE UNDERTAKINGS

Details of the Undertaking Concert Parties and the number of LKTHL Shares to be tendered in acceptance of the Offer by each Undertaking Concert Party pursuant to their respective Irrevocable Undertakings are as follows:

Name of Undertaking Concert Party	No. of Shares to be tendered in acceptance of the Offer	Total Percentage of Issued LKTHL Shares⁽¹⁾
Lee Soon Kiat Holdings (Pte) Ltd.	15,280,000	3.02
Mr Lee Soon Teck	14,415,000	2.85
Ms Lois Lee Nee Tay Nglat Fah	1,443,430	0.29
Mr Lee Yong Chuan Edwin	9,000,000	1.78
Ms Lee Mei Yin Jean	408,971	0.08
Estate of Mr Lee Soon Kiat, Deceased	581,914	0.12
Mr Lee Eng Joo Kevin	387,942	0.08
Mr Lee Steven	387,942	0.08
Mdm Lee Siew Lian	13,000,000	2.57
Mr Seah Peng Chua Arthur	560,000	0.11
Ms Audra Seah Li Khen	220,000	0.04
Jarroed Seah Chi Nam	85,000	0.02
Gordon Seah Chi Yean	1,010,942	0.20
Total	56,781,141	11.24

Note:

- (1) As a percentage of the total number of LKTHL Shares in issue as at the Announcement Date. For the purposes of the table above, all percentage figures are rounded to the nearest two decimal places.