



THE STRAITS TRADING COMPANY LIMITED

MINING COOPERATION AGREEMENT BETWEEN PT TENAGA ANUGERAH (THE GROUP'S SUBSIDIARY, MALAYSIA SMELTING CORPORATION BERHAD HAS A 60% INTEREST THROUGH ITS WHOLLY-OWNED SUBSIDIARY PT MSC INDONESIA) AND PT SARANA MARINDO IN RELATION TO AN OFFSHORE TIN MINING VENTURE IN BANGKA ISLAND, INDONESIA

The Board of Directors of The Straits Trading Company Limited ("Company") is pleased to inform that PT Tenaga Anugerah ("PT TA"), a company incorporated in Indonesia, in which the Group's subsidiary, Malaysia Smelting Corporation Berhad ("MSC") has a 60% interest through its wholly-owned subsidiary PT MSC Indonesia, has today entered into Mining Cooperation Agreement ("MCA") with PT Sarana Marindo ("PT SM").

This MCA is the result of MSC group's continuing efforts to secure new tin mining areas in Indonesia for future tin production.

PT TA shall be responsible to provide all the necessary resources, infrastructures and facilities including working capital, materials, offices, dredges, equipment, etc. and also have full responsibility on the planning, management and operations of the mining venture including the transportation and export of tin ingots.

PT SM shall be responsible for coordination with local public and government authorities pertaining to licenses, permits and approvals required for commencement, operation and continuation of the mining and marketing activities.

The capital investment required to implement the offshore mining venture is estimated at US\$5.5 million including an upfront payment of US\$4.7 million to PT SM as consideration for the acquisition of the mining rights. Based on the 60% shareholding, MSC's contribution towards the capital investment will be US\$3.257 million. With the mining exploitation status and Environmental Impact Assessment approvals already secured by PT SM, operations are expected to start in the first quarter of 2008.

Barring unforeseen circumstances, it is expected that the cooperation between PT TA and PT SM to undertake the offshore tin mining venture will contribute positively to the earnings of MSC group in 2008.

Please refer to the attached announcement released by MSC to Bursa Malaysia today for further details on the MCA.

Mr. Norman Ip and Mr. Razman Ariffin, Directors of the Company, are chairman and director of MSC respectively. Save as disclosed and as far as the Company is aware, no Director or substantial shareholder of the Company has any interest in the MCA, other than by virtue of being such a Director or substantial shareholder of the Company.

Submitted by
Victoria Tse (Mrs)
Secretary