

MANDATORY CONDITIONAL CASH OFFER

by

CREDIT SUISSE (SINGAPORE) LIMITED

(Company Registration No. 197702363D)
(Incorporated in the Republic of Singapore)

and

OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Company Registration No. 193200032W)
(Incorporated in the Republic of Singapore)

for and on behalf of

KNOWLEDGE TWO INVESTMENT PTE LTD

(Company Registration No. 200008798M)
(Incorporated in the Republic of Singapore)

a wholly-owned subsidiary of

LEE LATEX (PTE) LIMITED

(Company Registration No. 194700088K)
(Incorporated in the Republic of Singapore)

to acquire all the issued ordinary shares in the capital of

THE STRAITS TRADING COMPANY LIMITED

(Company Registration No. 188700008D)
(Incorporated in the Republic of Singapore)

other than those already owned or agreed to be acquired by
the Offeror and the Lee Family Companies

REVISION OF OFFER

1. INTRODUCTION

Credit Suisse (Singapore) Limited ("**Credit Suisse**") and Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") (collectively, the "**FAs**") refer to the offer document dated 12 February 2008 ("**Offer Document**") in connection with the mandatory conditional cash offer by the FAs, for and on behalf of Knowledge Two Investment Pte Ltd (the "**Offeror**"), a wholly-owned subsidiary of Lee Latex (Pte) Limited ("**Lee Latex**"), to acquire all the issued ordinary shares ("**Shares**") in the capital of The Straits Trading Company Limited ("**STC**") other than those already owned or agreed to be acquired by the Offeror and the Lee Family Companies (as defined in the Offer Document) (the "**Offer Shares**"), at the price of S\$5.76 in cash for each Offer Share (the "**Original Offer Price**"). The Offer Document has been despatched to the Shareholders of STC today.

All capitalised terms not defined herein shall have the same meaning as used in the Offer Document.

2. REVISION OF THE OFFER

- 2.1 **Revised Offer Price.** The FAs wish to announce, for and on behalf of the Offeror, that the Offeror is revising the Original Offer Price as follows:-

For each Offer Share: S\$6.55 in cash (the “Revised Offer Price”).

Shareholders who have earlier accepted the Offer are entitled to receive the Revised Offer Price. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have earlier accepted the Offer.

- 2.2 **Other Terms.** Save for the revision of the Offer Price as stated above, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.
- 2.3 **Notification to Shareholders.** A written notification to inform Shareholders of the revision of the Offer Price will be despatched to Shareholders as soon as practicable.

3. BENCHMARKING THE OFFER AT THE REVISED OFFER PRICE

The Revised Offer Price represents:-

- (a) no premium/discount to S\$6.55, being the last transacted price of the Shares on the SGX-ST on 14 February 2008, being the date of this announcement;
- (b) a premium of approximately 32.1% over S\$4.96, being the last transacted price of the Shares on the SGX-ST on 4 January 2008, the last day on which the Shares were traded prior to the Cairns Offer Announcement Date;
- (c) a premium of approximately 29.4% over S\$5.06, being the volume weighted average price of the Shares on the SGX-ST over the one-month period prior to the Cairns Offer Announcement Date;
- (d) a premium of approximately 37.3% over S\$4.77, being the volume weighted average price of the Shares on the SGX-ST over the three-month period prior to the Cairns Offer Announcement Date;
- (e) a premium of approximately 44.0% over S\$4.55, being the volume weighted average price of the Shares on the SGX-ST over the six-month period prior to the Cairns Offer Announcement Date;
- (f) a premium of approximately 29.2% over the unaudited net asset value per Share of S\$5.07 as at 30 September 2007; and
- (g) a premium of approximately 65.4% over the audited net asset value per Share of S\$3.96 as at 31 December 2006.

4. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS RELATING TO STC

The rationale for the Offer and the Offeror's intentions relating to STC, as stated in the Offer Document, are reproduced below:

"Rationale for the Offer

The Lee Family has had shareholding interests in STC for many years. The Offeror (together with the GEH Group and the OCBC Group) has effective control of STC as they control the largest single block of Shares. The Offer is being made in response to the Cairns Offer with the objective of maintaining or consolidating effective control of STC.

The Offeror's Intentions relating to STC

It is the intention of the Offeror that STC will continue to develop and grow its existing businesses. Depending on the outcome of the Offer and the resultant shareholding of the Offeror in STC following the close of the Offer, the Offeror (if appropriate together with its Concert Parties) intends to seek representation on the board of directors of STC.

In addition, after the close of the Offer, if the Offeror (together with the GEH Group and the OCBC Group) continues to control the largest single block of Shares, the Offeror intends to propose to STC to engage a financial adviser to conduct a study on the financial performance of STC and to recommend possible steps to take to further unlock value in STC for the benefit of Shareholders. In this connection, the Offeror supports the policy of the STC board as stated on page 83 of STC's circular to Shareholders dated 3 February 2008 in relation to the Cairns Offer, which is reproduced as follows:

"With a clear focus on shareholders' value, the Group will continue to review its business strategy and prioritise the allocation of funds to enhance shareholders' value and to generate higher return to shareholders in the long term".

Save as disclosed above, the Offeror has no immediate plans for any major changes relating to the existing business of the STC Group (including redeployment of fixed assets) or the employment of the existing employees of the STC Group, other than in the ordinary course of business."

5. CLOSING DATE

As stated in the Offer Document, the Offer will remain open for acceptance until 5.30 p.m. on 13 March 2008, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

6. LEVEL OF ACCEPTANCES

6.1 **Acceptances of the Offer.** Based on information provided to the Offeror, as at 5.00 p.m. on 14 February 2008, the Offeror has not received any acceptances in respect of the Offer.

6.2 **Shares held before the Offer Period.** As at 24 January 2008, being the Announcement Date, the Offeror owned 3,372,000 Shares, representing approximately 1.03% of the total number of issued Shares¹. As at the Announcement Date, subject to further enquiries to be made in respect of the CS Singapore Entities as described in the Offer Document, the

¹ References in this announcement to the total number of issued Shares are based on 325,897,000 Shares.

Offeror's Concert Parties owned an aggregate of 105,555,956 Shares representing approximately 32.39% of the total number of issued Shares.

Save as disclosed above, based on information available to the Offeror as at the date of this announcement and subject to further enquiries to be made in respect of the CS Singapore Entities as described in the Offer Document, neither the Offeror nor its Concert Parties owned, controlled or agreed to acquire any Shares prior to the Announcement Date.

6.3 **Purchases during the Offer Period.** From the Announcement Date to 5.00 p.m. on 14 February 2008, neither the Offeror nor any of its Concert Parties (based on information available to the Offeror as at the date of this announcement and subject to further enquiries to be made in respect of the CS Singapore Entities as described in the Offer Document) has acquired or agreed to acquire any further Shares.

6.4 **Aggregate Holding.** Accordingly, as at 5.00 p.m. on 14 February 2008, based on information available to the Offeror as at the date of this announcement and subject to further enquiries to be made in respect of the CS Singapore Entities as described in the Offer Document, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 108,927,956 Shares, representing approximately 33.42% of the total number of issued Shares.

7. PROCEDURES FOR ACCEPTANCE

Shareholders who wish to accept the Offer but have not done so should complete, sign and forward the FAA or the FAT (as the case may be) and all other relevant documents as soon as possible so as to reach the Offeror not later than 5.30 p.m. on the Closing Date. All FATs, FAAs and other relevant documents received after 5.30 p.m. on such date will not be accepted and will be returned by ordinary post to the relevant Shareholders at their own risk, in accordance with the terms of the Offer Document. Further details on the procedures for acceptance are set out in Appendix 1 of the Offer Document.

Shareholders who are in any doubt about the Offer should consult their stockbroker, bank manager, solicitor or other professional adviser immediately.

Shareholders whose Offer Shares are deposited with CDP ("**Depositors**") and who have not received or who have misplaced the Offer Document and/or the FAA may obtain copies of the Offer Document and the FAA during normal business hours up to the Closing Date from CDP at the following address:

The Central Depository (Pte) Limited
4 Shenton Way
#02-01 SGX Centre 2
Singapore 068807

Copies of the FAA may be obtained by Depositors from CDP on production of satisfactory evidence that their securities accounts with CDP are or will be credited with the Offer Shares.

Shareholders whose Offer Shares are not deposited with CDP ("**Non-Depositors**") and who have not received or who have misplaced the Offer Document and/or the FAT may obtain copies of the Offer Document and the FAT during normal business hours up to the Closing Date from Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) ("**Tricor Barbinder**") at the following address:

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
8 Cross Street
#11-00 PWC Building
Singapore 048424

Copies of the FAT may be obtained by Non-Depositors from Tricor Barbinder on production of satisfactory evidence of title to the Offer Shares.

8. CONFIRMATION OF FINANCIAL RESOURCES

OCBC Bank confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer by Shareholders at the Revised Offer Price.

9. RESPONSIBILITY STATEMENT

The directors of the Offeror and the directors of Lee Latex (including those 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 from published or otherwise publicly available sources (including, without limitation, information relating to the STC Group), the sole responsibility of the directors of the Offeror and the directors of Lee Latex has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

Issued by

CREDIT SUISSE (SINGAPORE) LIMITED and
OVERSEA-CHINESE BANKING CORPORATION LIMITED

For and on behalf of

KNOWLEDGE TWO INVESTMENT PTE LTD

14 February 2008