



THE STRAITS TRADING COMPANY LIMITED

(Incorporated in Singapore)

(Company Registration No.: 188700008D)

ANNOUNCEMENT

MANDATORY CONDITIONAL CASH OFFER TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF THE STRAITS TRADING COMPANY LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**” or “**STC**”) refers to the mandatory conditional cash offer (the “**KTIPL Offer**”) by Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation (collectively, 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 (the “**Shares**”) in the capital of STC other than those already owned or agreed to be acquired by the Offeror and the Lee Family Companies (the “**KTIPL Offer Shares**”).

The Lee Family Companies are the intermediate companies through which Messrs Lee Seng Gee, Lee Seng Tee and Lee Seng Wee and their immediate family members have direct or indirect shareholdings in Lee Latex.

2. PRICE REVISION ANNOUNCEMENT

The Board wishes to inform the shareholders of the Company (“**Shareholders**”) that the FAs, for and on behalf of the Offeror, have announced on 14 February 2008 (the “**KTIPL Price Revision Announcement**”) that the Offeror is revising the original offer price for each KTIPL Offer Share from S\$5.76 in cash for each KTIPL Offer Share (the “**KTIPL Offer Price**”) to S\$6.55 in cash for each KTIPL Offer Share (the “**Revised KTIPL Offer Price**”). Save as disclosed in the KTIPL Price Revision Announcement, all the other terms and conditions of the KTIPL Offer as set out in the offer document dated 12 February 2008 despatched by the Offeror in respect of the KTIPL Offer remain unchanged.

It was stated in the KTIPL Price Revision Announcement that a written notification to inform Shareholders of the revision of the KTIPL Offer Price will be despatched to Shareholders as soon as practicable. As announced in the KTIPL Price Revision Announcement, the KTIPL Offer will remain open for acceptances 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.

Shareholders are advised to read carefully the KTIPL Price Revision Announcement, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

3. INDEPENDENT FINANCIAL ADVUSER

A circular containing the advice of CIMB-GK Securities Pte. Ltd. ("**CIMB-GK**"), the independent financial adviser to the Directors of the Company who consider themselves to be independent for the purposes of the KTIPL Offer (the "**Independent Directors**"), and the recommendation of the Independent Directors will be sent to Shareholders in due course.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendation of the Independent Directors, as well as the advice of CIMB-GK, which will be set out in the circular to be issued in due course to the Shareholders.

4. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated 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, the sole responsibility of the Directors of the Company 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.

BY ORDER OF THE BOARD

Emily Teo
Company Secretary

Singapore, 15 February 2008

This Announcement will be available at the Company's website at <http://www.stc.com.sg/>