



THE STRAITS TRADING COMPANY LIMITED

(Incorporated in Singapore)

(Company Registration No.: 188700008D)

ANNOUNCEMENT

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

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of The Straits Trading Company Limited (the “**Company**” or “**STC**”) refers to:
- (a) the voluntary conditional cash offer by Standard Chartered Bank, for and on behalf of The Cairns Pte. Ltd. (“**TCPL**”), to acquire all the issued ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by TCPL (the “**TCPL Offer**”); and
 - (b) the mandatory conditional cash offer by Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**”), for and on behalf of Knowledge Two Investment Pte Ltd (“**KTIPL**”), to acquire all the issued ordinary shares in the capital of the Company other than those already owned or agreed to be acquired by KTIPL and the Lee Family Companies (the “**KTIPL Offer**”).
- 1.2 Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the circular (the “**TCPL Offeree Circular**”) to shareholders of the Company dated 3 February 2008 in relation to the revised TCPL Offer.

2. INDEPENDENT DIRECTORS' RECOMMENDATIONS

- 2.1 The Independent Directors would like to refer shareholders of the Company to the advice of CIMB-GK and their recommendations on the Revised TCPL Offer as set out in the TCPL Offeree Circular. A copy of the TCPL Offeree Circular is available on the website the SGX-ST at www.sgx.com and also at the website of the Company at www.stc.com.sg. As Shareholders would be aware, the Revised TCPL Offer Price is **S\$6.50**, and the Closing Date for the Revised TCPL Offer is 5.30 p.m. on 22 February 2008.
- 2.2 On 14 February 2008, Credit Suisse (Singapore) Limited and OCBC Bank announced, for and on behalf of KTIPL, that KTIPL is revising its original offer price from S\$5.76 to **S\$6.55** in cash for each KTIPL Offer Share (the “**Revised KTIPL Offer**”), which is S\$0.05 higher than the Revised TCPL Offer Price. The Revised KTIPL Offer will close at 5.30 p.m. on 13 March 2008.
- 2.3 In the light of the Revised KTIPL Offer, a circular containing the advice of CIMB-GK to the Independent Directors, and the recommendation of the Independent Directors on the Revised KTIPL Offer will be sent to shareholders of the Company as soon as possible, taking into account the unaudited consolidated financial statements for the financial year ended 31 December 2007 which was announced by the Company today.

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 as soon as possible to the shareholders of the Company.

3. RESPONSIBILITY STATEMENT

The Directors of the Company (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.

BY ORDER OF THE BOARD

Emily Teo
Company Secretary

Singapore, 16 February 2008

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