

3 March 2008

**BY FAX AND EMAIL**

Credit Suisse (Singapore) Limited and  
Oversea-Chinese Banking Corporation Limited  
**Attn : Mr. Ronnie Behar / Ms. Tsai Ai Liang**

Dear Mr. Behar and Ms. Tsai,

**SHARES IN THE STRAITS TRADING COMPANY LIMITED HELD BY LEE FAMILY COMPANIES**

We are the financial adviser to The Cairns Pte. Ltd. We refer to the Announcement dated 2 March 2008 released by Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited for and on behalf of Knowledge Two Investment Pte Ltd in relation to the withdrawal of its Mandatory Conditional Cash Offer for shares in The Straits Trading Company Limited ("STC").

We note that Knowledge Two Investment Pte Ltd had stated in the Announcement, that, "the Offeror is withdrawing its Offer with immediate effect" and that "the Offeror and the Lee Family Companies holding in aggregate approximately 7.1% of the total number of issues Shares, have decided to realise their investments in STC and accept the Cairns Offer at S\$6.70 per Share".

In this respect, and in order to allow Knowledge Two Investment Pte Ltd and the Lee Family Companies the ability to effect their stated objectives "to realise their investments in STC", we are now pleased to make Knowledge Two Investment Pte Ltd and the Lee Family Companies an unconditional offer to purchase all of their shareholdings of approximately 7.1% in STC at the price of S\$6.70 per share.

We trust that this offer is in the best interests of your client as well as minority shareholders especially in the context of the following:

1. The certainty of exit this offer is presenting to Knowledge Two Investment Pte Ltd and the Lee Family Companies (as opposed to Knowledge Two Investment Pte Ltd and the Lee Family Companies tendering into The Cairns Offer) given your client's stated intention to realise their investments in STC.
2. Our Final Closing Date of 6 March 2008 and our last announcement on 29 February 2008 which states that the total number of shares owned, controlled and agreed to be acquired by The Cairns Pte Ltd and valid acceptances of our Offer amount to an aggregate of 91,562,843 Shares representing approximately 28.10% of STC.
3. Our Offer only being able to be declared unconditional to acceptances at the 50% level.
4. If this offer is accepted by your client, we will convert our Voluntary Conditional Cash Offer to a Mandatory Cash Offer and extend our Offer to all shareholders of STC. Accordingly, the timeline for the Cairns Offer will be extended so that the other shareholders of STC may have the opportunity to realise their investments in STC together with your client.



This offer will lapse at 5.00 p.m. on 6 March 2008.

Please contact the undersigned if you require any further clarifications. Our brokers are on stand-by to execute the transaction for us. We look forward to hearing from you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Anand Kumar', with a horizontal line underneath the name.

Anand Kumar  
Standard Chartered Bank  
For and on behalf of  
The Cairns Pte. Ltd