



THE STRAITS TRADING COMPANY LIMITED

PROPOSED INVESTMENT BY MALAYSIA SMELTING CORPORATION BERHAD, THE GROUP'S LISTED SUBSIDIARY, FOR A 30% INTEREST IN THE RAPU RAPU COPPER, GOLD, ZINC AND SILVER PROJECT IN THE PHILIPPINES AT AN ESTIMATED COST OF APPROXIMATELY USD18.9 MILLION PURSUANT TO A FRAMEWORK AGREEMENT WITH PHILCO RESOURCES LIMITED, LG INTERNATIONAL CORP AND KOREA RESOURCES CORPORATION

The Board of Directors of The Straits Trading Company Limited ('Company') is pleased to announce that on 16 April 2008, the Group's listed subsidiary, Malaysia Smelting Corporation Berhad ('MSC'), entered into a Framework Agreement ('FWA') with Philco Resources Limited, LG International Corp and Korea Resources Corporation, in relation to MSC's proposed investment for a 30% interest in the Rapu Rapu copper, gold, zinc and silver project ('Project') at an estimated cost of approximately USD18.9 million.

Please refer to the announcement released by MSC today for further details on the FWA and the Project.

This transaction will not have any material effect on the net assets, earnings and gearing of the Group for the financial year ending 31 December 2008. Barring unforeseen circumstances, MSC expects this investment will contribute positively to its earnings over the medium term, especially upon commencement of commercial production, which is expected to take place in the second half of 2009.

Mr. Norman Ip Ka Cheung and Mr. Razman Ariffin, Directors of the Company, are chairman and director of MSC respectively.

Submitted by
Emily Teo (Ms)
Secretary

The Straits Trading Company Limited
(Registration No. 188700008D) on 17/4/2008 to the SGX

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