



THE STRAITS TRADING COMPANY LIMITED

(Incorporated in Singapore)
(Company Registration No.: 188700008D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the "EGM") of The Straits Trading Company Limited (the "Company") will be held at Straits Ballroom, Level 2, Rendezvous Hotel, Singapore, 9 Bras Basah Road, Singapore 189559 on 13 June 2008 at 10.00 a.m. for the purpose of considering and, if thought fit, approving, with or without modification, the following Resolutions, of which Resolution 1 will be proposed as a Special Resolution and Resolution 2 will be proposed as an Ordinary Resolution:

Resolution 1: Special Resolution

The giving of Financial Assistance by the Company

THAT:

- (1) approval be and is hereby given for any financial assistance (the "Financial Assistance") which may be given by the Company, directly or indirectly, within the meaning of Section 76 of the Companies Act, Chapter 50 of Singapore (the "Act"), for the purpose of, or in connection with, the acquisition of ordinary shares ("Shares") in the capital of the Company by The Cairns Pte. Ltd. ("TCPL") or other holders of Shares ("Shareholders") by way of the payment of the proposed Special Dividend (as defined below); and
- (2) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the giving of Financial Assistance by the Company) as they or he may consider desirable, necessary or expedient to give full effect to this Special Resolution.

Resolution 2: Ordinary Resolution

The payment of the proposed Special Dividend

THAT, subject to and contingent upon the passing of the Special Resolution above and compliance with the provisions of Section 76(10) of the Act in respect of the Financial Assistance:

- (1) approval be and is hereby given for the payment by the Company of the proposed special cash dividend of S\$1.50 per Share (the "Special Dividend") to the Shareholders as at a books closure date to be determined by the Directors; and
- (2) the Directors and each of them be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the payment of the proposed Special Dividend) as they or he may consider desirable, necessary or expedient to give full effect to this Ordinary Resolution.

By Order of the Board

Emily Teo (Ms)
Secretary

Singapore
20 May 2008

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 18 Cross Street, #15-01, Singapore 048423 not less than 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.
4. Information required by Section 76(10)(c) of the Act

4.1 Particulars of the Financial Assistance referred to in Resolution 1

The Directors have been advised and consequently recognise that there is a risk that any cash distribution made by the Company by way of the Special Dividend may be considered to be the indirect rendering of financial assistance within the meaning of Section 76 of the Act. In particular, the Special Dividend may be used by TCPL or other Shareholders to repay acquisition financing or to reduce the acquisition cost in relation to TCPLs or a Shareholder's acquisition of Shares, which may in turn amount to financial assistance within the meaning of Section 76 of the Act. Accordingly, in order to facilitate the payment of the Special Dividend, approval from the Shareholders will be sought at the EGM for any Financial Assistance which may be given by the Company, directly or indirectly, within the meaning of Section 76 of the Act, for the purpose of, or in connection with, the acquisition of Shares by TCPL or other Shareholders by way of the payment of the proposed Special Dividend.

4.2 Reasons for the provision of Financial Assistance

The approval of the Financial Assistance is to facilitate the payment of the Special Dividend. Shareholders should note that the payment of the Special Dividend is conditional upon the approval of the Shareholders for the Financial Assistance and compliance with the provisions of Section 76(10) of the Act in respect of the Financial Assistance.

Having considered the request pursuant to a letter from TCPL to the Company on 24 March 2008, the results of the Company and its subsidiaries (the "Group") for the period ended 31 March 2008 and following a review of the Group's present financial position and funding requirements for the Group's operations and future expansion, the Board has determined that the Company is able to distribute an amount of approximately S\$488.8 million or S\$1.50 per Share.

The Special Dividend is consistent with the statement made in the Company's circular to Shareholders dated 3 February 2008, that 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', and will further enhance the Group's capital structure.

The Board will continue to review the Group's capital management initiatives to optimise the Group's capital structure.

4.3 Effect of the Financial Assistance on the financial position of the Company and the Group

Having regard to the present financial position of the Company and the Group, the Financial Assistance is not expected to have any material adverse effect on the Company or the Group.

4.4 Statement under Section 76(10)(c) of the Act

Under Section 76(10)(c) of the Act, the notice specifying the intention to propose the financial assistance for the purpose of or in connection with the acquisition of shares as a special resolution has to be accompanied by a copy of a statement made in accordance with a resolution of directors, setting out the names of any directors who voted against the resolution and the reasons why they so voted, and signed by not less than two directors stating whether, in the opinion of the directors who voted in favour of the resolution, after taking into account the financial position of the company (including future and contingent liabilities of the company), the giving of the financial assistance would be likely to prejudice materially the interests of the creditors or members of the company or any class of those creditors or members.

A copy of the statement dated 15 May 2008 signed by two Directors pursuant to Section 76(10)(c) of the Act in accordance with resolutions in writing passed by the Directors (save for Ms Chew Gek Khim and Ms Chew Gek Hiang who abstained) on 15 May 2008 is set out in Appendix 2 to the circular to Shareholders dated 20 May 2008 in relation to the Resolutions above.