



THE STRAITS TRADING COMPANY LIMITED

(A Member of The Tecity Group)

Company Registration No.: 188700008D

ANNOUNCEMENT OF SALE OF AND GRANTING OF A CALL OPTION FOR SHARES OF BCD RESOURCES NL BY SUBSIDIARY COMPANY, MALAYSIA SMELTING CORPORATION BERHAD

The Company wishes to announce that Malaysia Smelting Corporation Berhad ("**MSC**"), the Company's subsidiary, has on 22 July 2010 entered into a Share Purchase and Call Option Deed with Bendigo Mining Limited ("**Bendigo**") ("**Share Purchase and Call Option Deed**") relating to the sale of 45,000,000 ordinary shares (the "**Sale Shares**") in BCD Resources NL ("**BCD**") and the grant of a call option over a further 39,000,000 BCD ordinary shares (the "**Call Option Shares**") to Bendigo.

Upon the completion of the proposed sale and purchase of the Sale Shares, the Company's deemed interest in BCD will be reduced from 21.34% to 10.67% and consequently, BCD will cease to be an associated company of the Company.

The sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, is not expected to have a material effect on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2010.

Further details of the transaction can be found in the copy of the announcement by MSC to Bursa Malaysia dated 22 July 2010 attached hereto.

Submitted by
Sng Kiat Huang (Ms)
Secretary

23 July 2010

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

About The Straits Trading Company Limited

One of the oldest listed public companies in Singapore since 1887, The Straits Trading Company Limited has business interests and investments spanning the Asia Pacific region. Through its listed subsidiary on Bursa Malaysia, Malaysia Smelting Corporation Berhad, Straits Trading engages in tin mining and smelting, and resource investments. Its subsidiary Straits Developments Private Limited is in the property business, which includes property investments, development and management primarily in Singapore and Malaysia. Its hotel business is driven by its subsidiary Rendezvous Hospitality Group Private Limited, which owns, operates and manages its stable of hotels in the Asia Pacific region under the Rendezvous and Marque brands. It also holds a significant stake in WBL Corporation, a technology, automotive distribution, property development, and engineering and distribution company listed on the SGX Main Board.

ANNOUNCEMENT TO BURSA MALAYSIA

SALE OF 45,000,000 ORDINARY SHARES OF BCD RESOURCES NL ("BCD") REPRESENTING APPROXIMATELY 10.67% OF BCD'S ISSUED SHARE CAPITAL TO BENDIGO MINING LIMITED ("BENDIGO") AND THE GRANTING OF A CALL OPTION FOR FURTHER 9.25% OF BCD SHARES CONDITIONAL UPON THE EXECUTION OF THE SCHEME IMPLEMENTATION AGREEMENT RELATING TO, AND AN ANNOUNCEMENT OF, A MERGER BETWEEN BCD AND BENDIGO BY MEANS OF A SCHEME OF AGREEMENT TO BE APPROVED BY BCD'S SHAREHOLDERS ("DISPOSAL OF AND CALL OPTION FOR BCD SHARES")

1. INTRODUCTION

The Board of Directors would like to announce that Malaysia Smelting Corporation Berhad ("MSC") has today entered into a Share Purchase and Call Option Deed with Bendigo Mining Limited ("Bendigo") ("Share Purchase and Call Option Deed") relating to the sale of 45,000,000 ordinary shares in BCD Resources NL ("BCD" and each a "BCD Share") and the grant of a call option over a further 39,000,000 BCD Shares to Bendigo.

MSC currently owns 90,000,000 BCD Shares representing 21.3% of BCD's issued share capital. The Disposal of and Call Option for BCD Shares is in respect of 84,000,000 BCD Shares representing 19.92% of BCD's issued capital. A remainder of 6,000,000 BCD Shares ("Uncommitted Shares") shall be retained by MSC immediately after this proposed transaction and may be divested by MSC in due course.

This Disposal of and Call Option for BCD Shares is pursuant to the revised growth strategy for the MSC Group as disclosed in the Annual Report for 2009 whereby the MSC Group seeks to reposition itself to focus primarily on its original core business of tin and accordingly, seeks now to divest this non-tin asset.

2. DETAILS OF THE PROPOSED SALE

2.1 Background Information on the Proposed Sale

Under the Share Purchase and Call Option Deed, MSC has agreed to sell its 19.92% interest in BCD through:

- the outright sale of 45,000,000 BCD ordinary shares for A\$0.115 per BCD Share representing the 30 day VWAP price ("Sale Shares"); and
- the exercise of a call option for a further 39,000,000 BCD ordinary shares ("Call Option Shares") exercisable for consideration on the same terms as provided for in the Scheme Implementation Agreement (0.72 Bendigo shares per BCD Share, valuing a BCD Share at A\$0.144 per BCD Share, representing a 25% premium to the 30 day VWAP price).

The call option over the Call Option Shares is conditional upon the execution of a scheme implementation agreement in respect of a scheme of arrangement ("Scheme") and the Scheme being announced by BCD and Bendigo. Both of these conditions have been satisfied. Under the Scheme (if approved and implemented) BCD shareholders will transfer their BCD Shares to Bendigo in exchange for ordinary shares in Bendigo at the ratio of 1 BCD Share for 0.72 Bendigo Share. Each of BCD and Bendigo is obliged to take all necessary steps to implement the Scheme in accordance with the applicable timetable, including assisting in the preparation of the Scheme transaction documentation, the provision of information and the seeking of regulatory and court approvals.

MSC may also divest the Bendigo shares received pursuant to the exercise of the call option in due course.

2.2 Background Information on BCD

BCD Resources NL (ASX: BCD) is an Australian gold producer which owns and operates the Tasmania Mine in Northern Tasmania. BCD is also advancing a copper project in Victoria with significant copper resources at two adjacent locations. The Tasmania Mine has a history of high grade production with a known endowment of 2.5 million ounces of gold and production in excess of 800,000 ounces of gold since 1999. BCD Resources NL assumed management of the mine in February 2007.

The MSC Group rolled out a diversification strategy in 2007 and thereafter made several strategic alliances and long-term investments in tin, nickel and gold. MSC's entry into gold was achieved in 2008 with its acquisition of 18.9% interest in Beaconsfield Gold NL (thereafter renamed BCD Resources NL).

However, on the back of liquidity crunch as a result of economic crisis and financial meltdown, the Board of Directors of MSC undertook another strategic review in 2009 of its growth strategy. The Board took cognisance of the need to strengthen MSC's balance sheet and to maintain a sound gearing level. Hence in the light of the financial constraints and the need to ensure financial prudence, the Board decided that the Group should reposition itself to focus on its original core business of tin.

2.3 Salient Terms of the Agreements

Share Purchase and Call Option Deed

2.3.1 Conditions

(a) The parties agree that completion of the sale and purchase of the Sale Shares under clause 3 and the grant of the Call Option under clause 4 of the Share Purchase and Call Option Deed, are both subject to and conditional on each of the following matters being satisfied within two business days after the date of this deed (or such longer period not exceeding 10 Business Days as Bendigo in its discretion elects):

- (i) the Scheme Implementation Agreement being duly executed and BCD publicly announcing the Scheme to ASX;
- (ii) BCD's announcement to the Australian Securities Exchange ("ASX") ("Company Announcement") contains a statement from the board of directors of BCD unanimously recommending without qualification that its shareholders vote in favour of all resolutions to be proposed at the Scheme Meeting, other than qualifying words to the effect of '*...in the absence of a superior proposal*' and '*...subject to the Independent Expert concluding that the Scheme is in the best interests of Shareholders*'; and
- (iii) BCD's announcement to ASX contains a statement from the board of directors of BCD stating without qualification that each director of BCD, and where relevant, each of the entities the director controls or, intends to vote in favour of all resolutions to be proposed at the Scheme Meeting, other than qualifying words to the effect of '*...in the absence of a superior proposal*' and '*...subject to the Independent Expert concluding that the Scheme is in the best interests of Shareholders*'.

(collectively, "Conditions")

- (b) The conditions are for the sole benefit of Bendigo and may only be waived by Bendigo in its absolute discretion by notice in writing to the Vendor given within 10 Business Days after the date of this deed.
- (c) If the Conditions are not satisfied or waived in accordance with clause 2 of the Share Purchase and Call Option Deed, that deed will then be of no further force or effect.

2.3.2 Sale Shares

MSC agrees to sell, and Bendigo agrees to purchase, full legal and beneficial title in all the Sale Shares free from any encumbrance and otherwise on the terms set out in the Share Purchase and Call Option Deed.

2.3.3 Completion of Sale Shares

Subject to satisfaction or waiver of the conditions, completion of the sale and purchase of the Sale Shares must take place on the date which is two Business Days after the date of the Company Announcement (or on such other date as agreed by the Parties in writing).

2.3.4 Call Option

- (i) MSC grants Bendigo the right to purchase the Call Option Shares from MSC free of any Encumbrance and otherwise on the terms set out in this Share Purchase and Call Option Deed
- (ii) Bendigo may exercise the Call Option by giving notice in writing to MSC in accordance with clause 4.3 of the Share Purchase and Call Option Deed.
- (iii) Bendigo may exercise the Call Option once and only in respect of all and not some of the Call Option Shares.

Bendigo may exercise the Call Option at any time before the End Date unless prior to the occurrence of that exercise, a Superior Proposal has been publicly announced and publicly recommended by the Company's Board and such recommendation has not been withdrawn within 3 Business Days of it being made.

"End Date" means the earliest of:

- (a) the day after the Share Purchase and Call Option Deed is validly terminated in accordance with its terms;
- (b) the day after Bendigo becomes the registered holder of all the Sale Shares;
- (c) the date on which the order of the Court made under section 411(4) (b) of the Corporations Act in relation to the Scheme comes into effect pursuant to section 411(10) of the Corporations Act; and
- (d) 30 November 2010.

"Superior Proposal" shall mean a bona fide Competing Proposal which the board of BCD has determined, in good faith after consultation with its external legal and financial advisers, is:

- (a) reasonably capable of being valued and completed, taking into account all aspects of the Competing Proposal (including accounting, legal, financial and regulatory aspects) and the person

- making it; and
- (b) offers consideration to Shareholders at a price higher than that under the Scheme; and
- (c) if consummated in accordance with its terms, is more favourable to BCD's shareholders (as a whole) than the Scheme, taking into account all the terms and conditions of the Competing Proposal.

2.4 Basis of Arriving at the Purchase Consideration

The consideration for the sale of the BCD Shares was arrived at on a "willing-buyer willing-seller" basis and taking into account the volume weighted average price of BCD shares sold on the ASX during the thirty (30) days immediately preceding and including the date on which the BCD announcement is publicly made on ASX but does not include any transactions defined in the ASX Business Rules as 'special' crossings prior to the commencement of normal trading, any crossings during the after hours adjust phase nor any overseas trades or trades pursuant to the exercise of options over shares or Bendigo shares, as the case may be.

3. RATIONALE FOR THE DISPOSAL OF AND CALL OPTION FOR BCD SHARES

The sale of 45,000,000 ordinary shares in BCD Resources NL ("BCD" and each a "BCD Share") and the grant of a call option over a further 39,000,000 BCD Shares to Bendigo are in line with MSC's decision made in 2009 is to focus on its original core business of tin.

4. EFFECTS OF THE PROPOSED SALE

4.1 Share Capital

The sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, will not have any effect on the share capital of MSC.

4.2 Net Assets And Gearing

The sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, will not have any material effect on the net assets and gearing of the MSC Group. However, they will improve the Group's gearing.

4.3 Earnings

The sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, is not expected to have a material effect on the earnings of the MSC Group for the financial year ending 31 December 2010.

4.4 Substantial Shareholders' Shareholdings

The sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, will not have any effect on the shareholdings of the substantial shareholders in MSC.

4.5 Utilisation of Proceeds

MSC intends to utilise the proceeds of the sale to reduce its bank borrowings and improve its gearing ratio.

5. **DEPARTURE FROM THE POLICIES AND GUIDELINES ON ISSUE / OFFER OF SECURITIES OF THE SECURITIES COMMISSION ("SC") ("SC GUIDELINES")**

To the best of the knowledge of the Board of MSC, the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, does not depart from the SC Guidelines. However, the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed, does not require the approval of the SC.

6. **DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the directors and major shareholders of MSC as well as persons connected with them have any interest, direct and/or indirect, in the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed.

7. **DIRECTORS' STATEMENT**

Having considered the rationale for the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed and after due deliberation, the Board of MSC is of the opinion that the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed is in the best and long-term interest of MSC and its shareholders.

8. **ESTIMATED TIME FRAME FOR COMPLETION**

Barring unforeseen circumstances, the Board of MSC expects the sale of the Sale Shares and the prospective sale of the Call Option Shares, each in accordance with the Share Purchase and Call Option Deed to be completed by 30 November 2010.

9. **DOCUMENTS AVAILABLE FOR INSPECTION**

The Share Purchase and Call Option Deed, and all related documentation, will be available for inspection at the registered office of MSC at B-15-11, Block B, 15th Floor, Unit 11, Megan Avenue II, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for three (3) months from the date of this Announcement.

This Announcement is dated 22 July 2010.