



THE STRAITS TRADING COMPANY LIMITED

ANNOUNCEMENT PURSUANT TO RULE 704(16)(a) AND (b) OF THE SGX LISTING MANUAL

The Board of Directors of The Straits Trading Company Limited ('Company') wishes to announce that the sale of its entire holding of 29,625,887 ordinary shares of RM0.50 each in the issued share capital of Killinghall (Malaysia) Berhad ('KMB') on 11 January 2006 ('Sale'), has resulted in the Group's aggregate cost of investment in quoted securities falling below a multiple of 5% of the Company's latest audited consolidated net tangible assets ('NTA'), further details of which are set out below :

(1) Before the Sale :

- (i) Aggregate cost of the Group's quoted investments : \$225,420,000 (being 20.62% of the Company's latest audited consolidated NTA).
- (ii) Total market value of the Group's quoted investments : \$390,448,000.

(2) After the Sale :

- (i) Aggregate cost of the Group's quoted investments : \$202,027,000 (being 18.48% of the Company's latest audited consolidated NTA).
- (ii) Total market value of the Group's quoted investments : \$341,655,000.

Mr. Norman Ip Ka Cheung, a director of the Company, is also a director of KMB. Save as disclosed, no director or substantial shareholder has any interest in the Sale, other than by being such a director or substantial shareholder.

Submitted by
Emily Teo (Ms)
Secretary

The Straits Trading Company Limited
(Registration No. 188700008D) on 12/1/2006 to the SGX