



THE STRAITS TRADING COMPANY LIMITED

Announcement on Ipoh Properties

The Straits Trading Company Limited ('Company') is pleased to announce that on 7 January 2005, the Company entered into a joint venture with Taiko Bulking Sdn Bhd ('Taiko') to jointly develop its 999-year leasehold land, with land area totalling approximately 572,445 square feet in the District of Kinta, Ipoh, State of Perak owned by the Company ('Land') into a luxurious residential development ('Project') through a joint venture company known as Taiko-Straits Developments Sdn Bhd ('JV Co.'). The JV Co. is also a party to the joint venture, the terms of which are recorded in the Joint Venture Agreement entered into between the Company, Taiko and the JV Co. ('JVA'). Pursuant to the terms of the JVA, the Company and Taiko will from time to time, among other things, subscribe for such number of ordinary shares of RM 1 each in the JV Co. in the proportion of 30% : 70% respectively. The Company's subscription of shares in the JV Co. is however conditional upon, among other provisions, all conditions precedent to the conditional sale and purchase agreement ('SPA') (refer below) being fulfilled and Taiko having subscribed and fully paid for its shares in the JV Co. upon such time and manner set out in the JVA.

Simultaneously, the Company also entered into a SPA to sell the Land to the JV Co. The sale price would range from \$7.43 million to \$7.91 million (RM17.17 million to RM18.26 million) depending on the number of units in the development as may be approved by the appropriate authorities in Malaysia ('Appropriate Authorities'). The consideration for the sale was arrived at based on negotiations conducted on a willing buyer, willing seller basis and taking into account a professional valuation of the Land commissioned by the Company in March 2004.

The SPA is conditional upon the JV Co. submitting the necessary notification to the Foreign Investment Committee of the Prime Minister's Department, Malaysia in respect of its acquisition of the Land and, obtaining the approval of the Appropriate Authorities to the proposed layout plan of the Project within eighteen (18) months from the date of execution of the SPA, as well as there being no material breach of the terms of the JVA on the date when all the conditions precedent are fulfilled.

The Taiko Group of companies is a private, well-established and diversified conglomerate based in Ipoh, with activities in property investment and development, agro-farming, plantation, trading, retailing and manufacturing.

The Straits Trading Group is expected to realise a consolidated gain upon the conclusion of the SPA, ranging approximately from \$4.88 million to \$5.19 million, after taking into account its 30% interest in the JV Co. To the best of the Company's knowledge, no Director or substantial shareholder has an interest in these transactions, other than by virtue of being such a Director or substantial shareholder.

Submitted by
Emily Teo (Ms)
Secretary

The Straits Trading Company Limited
(Registration No. 188700008D) on 14/1/2005 to the SGX