



Announcement of Execution of Share Sale (Option) Agreement relating to Sale of Shares

The Board of Directors of The Straits Trading Company Limited ("**the Company**") wishes to announce the following:

1. The Company ("**Vendor**") has entered into a Share Sale (Option) Agreement ("**Agreement**") on 13 February 2004, with Noble Gem Sdn Bhd, Eminent Gateway Sdn Bhd, and Novazi Sdn Bhd, each a company incorporated under the laws of Malaysia and having its office at No. 30-3, Jalan 11/116B, Kuchai Entrepreneurs Park, off Jalan Kuchai Lama, 58200, Kuala Lumpur (collectively referred to as "**the Buyers**" and each, a "**Buyer**") whereby the Company undertakes to sell on the Kuala Lumpur Stock Exchange ("**Exchange**") up to an aggregate of 24 million ordinary shares in the issued capital of Tronoh Mines Malaysia Berhad ("**Tronoh**") to any of the Buyers and consequent to any one or more requests from any of the Buyers at the price of RM 2.60 per share. The 24 million Tronoh shares constitute the Company's entire shareholding in Tronoh. The Buyers have no obligation under this Agreement to purchase any or all of the 24 million Tronoh shares.
2. The Agreement gives each of the parties the right to terminate in the event that the Buyers fail to confirm by 12 April 2004 that they have obtained the approval of their respective boards to the Agreement and the purchase of the shares under the Agreement and all the approvals and consents required under the laws of Malaysia and the rules and regulations of the Exchange for the execution of the Agreement and the sale and purchase of the shares under the Agreement ("**Buyers Confirmation**").
3. The Agreement also provides for the payment by the Buyers to the Company of RM 2,000,000 ("**Paid Amount**") for the Company's undertaking. The Company, however, is obliged to pay the Buyers an amount equal to that sum plus the interest earned and paid to the Company on the deposit of the Paid Amount in the event that (i) the Agreement is terminated by either party in the event that the Buyers Confirmation is not received by 12 April 2004; or (ii) in the event that the Buyers have purchased from the Company an aggregate of 24 million Tronoh shares during a prescribed period.
4. In the event that the Company sells all 24 million Tronoh shares under the Agreement, then the Company will realise a profit of approximately S\$ 9.5 million and the net tangible assets of the Company will be increased by approximately 2.7 cents per share.

5. Mr Norman Ip Ka Cheung, a director of the Company, is also a director of Tronoh. As far as the Company is aware and save as disclosed, none of the directors or substantial shareholders of the Company have any interest in any of the transactions mentioned above.

Emily Teo (Ms), Secretary
13/02/2004