



THE STRAITS TRADING COMPANY LIMITED

Announcement Pursuant to Rule 704(16)(c) of SGX Listing Manual

The Board of Directors of The Straits Trading Company Limited (the "**Company**") wishes to announce that a wholly-owned subsidiary of the Company, Merevale Holdings Private Limited ("**Merevale**"), has entered into a sale and purchase agreement (the "**S&P Agreement**") with The Great Eastern Life Assurance Company Limited ("**GE Life**") for the disposal by Merevale to GE Life of 29,070,000 shares (the "**Sale Shares**") in the issued share capital of Straits Eastern Square Private Limited ("**SESPL**").

The Sale Shares constitute Merevale's 51% interest in the issued share capital of SESPL. The consideration of S\$4.36 million for the Sale Shares was satisfied in cash and was arrived at based on a willing-buyer-willing-seller basis. The negative book value of the Sale Shares is S\$7.55 million as at 31 December 2005.

Following the completion of the S&P Agreement on 20 March 2006, SESPL will cease to be a subsidiary of the Company. The Sale Shares are transferred to GE Life with all rights, dividends, entitlements, advantages, obligations, claims and liabilities as of and including 1 January 2006. Accordingly, for accounting reference purposes, SESPL is regarded to have ceased to be a subsidiary of the Company on 1 January 2006.

SESPL is a 49% associated company of GE Life. GE Life, a substantial shareholder of the Company, is a wholly-owned subsidiary of Great Eastern Holdings Limited ("**GEH**"). GEH is a subsidiary of Oversea-Chinese Banking Corporation Limited ("**OCBC**"). GEH and OCBC are also substantial shareholders of the Company. Mr. Michael Wong Pakshong, a director of the Company, is also a director of GE Life, GEH and OCBC. Tan Sri Dato Dr. Lin See-Yan, a director of the Company, is also a director of GE Life and GEH. Mr. Norman Ip Ka Cheung, a director of the Company, is also a director of Merevale and SESPL. Mr. Bobby Chin Yoke Choong, a director of the Company, is also a director of OCBC.

Save as disclosed above and as far as the Company is aware, no director or substantial shareholder of the Company, has any interest, direct or indirect, in the disposal of the Sale Shares, 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 20/3/2006 to the SGX