



INTRACO Limited

(Incorporated in the Republic of Singapore)
Company Registration Number 196800526Z

SALE OF 49 PER CENT. OF INTRACO TECHNOLOGY PTE LTD AND JOINT VENTURE WITH SNF CORPORATION LTD

1. INTRODUCTION

- 1.1 **Sale.** The Board of Directors of Intraco Limited (“**Intraco**” or the “**Company**”) is pleased to announce that the Company has today entered into a sale and purchase agreement (“**Agreement**”) with SNF Corporation Ltd (“**SNF**”), a public company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), to sell 490,000 ordinary shares of S\$1.00 each (“**Sale Shares**”) in the share capital of its wholly-owned subsidiary Intraco Technology Pte Ltd (“**Intraco Tech**”), representing 49 per cent of the issued share capital of Intraco Tech, to SNF (“**Sale**”).

In connection with and pursuant to the Sale, the Company has also today entered into a shareholders’ agreement (“**Shareholders’ Agreement**”) with SNF and Intraco Tech.

1.2 Completion.

The completion of the Sale (“**Completion**”) took place today. Intraco now holds 51 per cent of the share capital of Intraco Tech, while SNF holds the remaining 49 per cent.

1.3 Rationale and Use Of Proceeds.

The proposed transaction is expected to bring synergistic benefits as Intraco Tech’s and SNF’s products are complementary. The strategic partnership would further provide Intraco Tech with an immediate expanded customer network, in particular the People’s Republic of China in which SNF has a strong presence. The proceeds from the Sale represent an excess of approximately S\$127,542 over the book value of the Sale Shares as at 31 December 2003, and the Company intends to use the proceeds for working capital purposes.

2. PRINCIPAL TERMS

- 2.1 **Agreement.** Pursuant to the Agreement, the Company has agreed to sell, and SNF has agreed to purchase, the Sale Shares free from any lien, pledge, mortgage, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.
- 2.2 **Consideration.** The aggregate consideration payable to the Company for the Sale Shares is S\$1,617,000.00 ("**Consideration**"), which was paid in cash on Completion. The Consideration was arrived at on a willing seller-willing buyer basis.
- 2.3 **Conditions Precedent.** Pursuant to the terms of the Agreement, the Sale is subject to and conditional upon, *inter alia*, the following:
- (a) the satisfactory completion of a financial and legal due diligence exercise on Intraco Tech conducted by SNF and/or its professional advisors;
 - (b) the representations and warranties given by the Company being true in all material respects on and as at Completion, and the Company having performed and complied in all material respects all the covenants and agreements required by the Agreement to be performed and complied with by the Company on or prior to Completion; and
 - (c) the entry by the Company and SNF into the Shareholders' Agreement.

All of the above conditions were satisfied prior to Completion taking place today.

- 2.4 **Post-Completion.** Intraco Tech is no longer a wholly-owned subsidiary of the Company, and Intraco and SNF are now joint shareholders in Intraco Tech, holding 51 and 49 per cent of the share capital of Intraco Tech respectively.

3. INFORMATION ON INTRACO TECH

- 3.1 **Intraco Tech.** Intraco Tech is incorporated in Singapore and has an authorised, issued and paid-up share capital of S\$1,000,000 divided into 1,000,000 ordinary shares of S\$1.00 each. Intraco Tech is involved in the distribution of semi-conductors, IT and wireless products and electronic components.

- 3.2 **Asset Value.**

As at 31 December 2003, the book value and the net tangible asset value of the Sale Shares was approximately S\$1,454,458.

3.3 Net Profits

The gain from the Sale of approximately S\$127,542 represents the premium of the Consideration over the Company's carrying value of investment in the Sale Shares as at 31 December 2003 of S\$1,454,458 and legal costs of S\$35,000.

4. FINANCIAL EFFECTS

4.1 **Assumptions.** The proforma financial effects of the Sale on the earnings per share ("EPS"), the net tangible assets ("NTA") per share, and the share capital of the Company are set out below and are prepared purely for illustration purposes only and do not reflect the actual future financial situation of the Company after Completion. The proforma financial effects have been computed based on the consolidated audited financial statements of the Company for the financial year ended 31 December 2003 ("FY2003").

4.2 **EPS.** Purely for illustrative purposes only and assuming that the Sale had been completed on 1 January 2003, the proforma financial effects on the consolidated earnings of Intraco for FY 2003 are as follows:

(S\$'000)	31/12/2003	Adjustments (M)	Gain from Disposal	Proforma
Loss attributable to shareholders	(5,514)	668	128	(4,719)
Weighted average number of shares ('000)	98,616			98,616
Loss per share (cents)	(5.59)			(4.78)

4.3 **NTA.** Purely for illustrative purposes only and assuming that the Sale had been completed on 31 December 2003, the proforma financial effects on the consolidated NTA of the Company for FY 2003 are as follows:

(S\$'000)	31/12/2003	Gain from Disposal	Proforma
NTA	61,847	128	61,975
Number of shares ('000)	98,616		98,616
NTA per share (cents)	62.71		62.84

4.4 **Share Capital.** The Sale will not have any impact on the issued and paid-up share capital of the Company.

5. DISCLOSEABLE TRANSACTION

- 5.1 **Rule 1006.** The relative figures for the Sale computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Proposed Sale (S\$'000)	Intraco Limited (S\$'000)	Relative Figures (%)
(a)	Net asset value of the Intraco Tech shares disposed of pursuant to the Proposed Sale compared with the Company's net asset value	1,330	61,847	2.15%
(b)	Net loss attributable to the Intraco Tech shares disposed of pursuant to the Proposed Sale compared with the Company's net loss	(668)	(7,549)	8.84%
(c)	Consideration received for the Proposed Sale compared with the Company's market capitalization ⁽¹⁾	1,617	31,064	5.21%

Note: (1) The Group's market capitalisation is based upon 98,616,00 Intraco Shares in issue as at 02 December 2004 at a weighted average market value of S\$0.315 per Intraco Share.

As the relative figures under Rules 1006(b) exceed 5 per cent., the Sale constitutes a discloseable transaction as defined in Chapter 10 of the SGX-ST Listing Manual.

6. FURTHER INFORMATION

- 6.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Sale. Accordingly no service contract is proposed to be entered into between the Company and any such person.
- 6.2 **Interests of Directors and Substantial Shareholders.** None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Sale or any other transaction ancillary to the Sale.
- 6.3 **Documents for Inspection.** A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company 348 Jalan Boon Lay Singapore 619529, for a period of three months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Lu Ling Ling
Company Secretary
3 December 2004, Singapore