

INTRACO LIMITED

ANNOUNCEMENT

DIVESTMENT OF INTEREST IN SUBSIDIARY

1. Introduction

Intraco Limited (the “**Company**”) wishes to announce that it has today accepted an offer from Anchorage Asset Limited (the “**Purchaser**”), a party unrelated to the Company, pursuant to which the Company has disposed of 143,959,000 shares (the “**Sale Shares**”) in the capital of Teledata (Singapore) Limited (“**Teledata**”), representing approximately 29.9% of the issued share capital of Teledata, to the Purchaser for an aggregate consideration of S\$6,190,237 (the “**Consideration**”) (the “**Sale**”). As a result of the Sale, the Company’s shareholding interest in Teledata has decreased from approximately 50.65% to approximately 20.75% and Teledata has ceased to be a subsidiary of the Company.

2. Information on Teledata

Teledata is a communications services company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

3. Consideration

The Consideration was arrived at on a willing buyer and willing seller basis and took into account the prevailing net asset value of Teledata and was satisfied by the Purchaser in full in cash.

4. Completion of the Sale

Completion of the Sale took place on the same date as the acceptance by the Company of the Purchaser’s offer.

5. Intended Use of Proceeds

The Company intends to use the proceeds from the disposal of the Sale Shares for working capital purposes.

6. Financial Impact

As at 31 December 2003, the book value of the Sale Shares was S\$4,655,316 and the net tangible asset value of the Sale Shares was S\$4,343,443. Based on the weighted average share price of Teledata shares on the SGX-ST on 17 May 2004 (being the last market day on which Teledata shares were traded on the SGX-ST), the market value of the Sale Shares is S\$13,891,612.

The financial effects of the Sale are presented below:

(a) Earnings per Share

The gain from the Sale of approximately S\$1,198,050 represents the premium of the Consideration over the Company's carrying value of investment in the Sale Shares of S\$4,655,316 and brokerage and commission of S\$336,871.

Purely for illustration purposes only and assuming that the Sale had been completed on 1 January 2003, the effect of the Sale on the consolidated profit and loss accounts of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2003, based on the audited consolidated profit and loss accounts of the Group for the financial year ended 31 December 2003, would have been as follows:

	<u>S\$'000</u>
Loss attributable to shareholders for FY 2003	(5,514)
Less : adjustment of 2003 loss attributable to asset disposed ⁽¹⁾	1,321
Add : Gain from the disposal	1,198
Pro forma after the Disposal	<u><u>(2,995)</u></u>
Weighted average number of shares ('000)	98,616
Loss per share (cents)	(5.59)
Loss per share, adjusted for the Disposal (cents)	(3.04)

Note:

(1) *After the transaction Teledata will cease to be a subsidiary, being adjustment for deconsolidation and equity account of 2003 results.*

(b) Net Tangible Assets Per Share

Purely for illustration purposes only and assuming that the Sale had been completed on 31 December 2003, the effect of the Sale on the Group's consolidated net tangible assets ("NTA") as at 31 December 2003, based on the audited consolidated balance sheet of the Group as at 31 December 2003, would have been as follows:

	S\$'000
NTA as at 31 December 2003	<u>60,805</u>
Add : Gain from the Disposal	<u>1,198</u>
Pro forma after the Disposal	<u>62,003</u>
Number of shares ('000)	98,616
NTA per share (cents)	61.66
NTA per share, adjusted for the Disposal (cents)	62.87

7. Rationale for the Sale

Following the change in the controlling shareholders of the Company in December 2003, the Board has been undertaking a review of all the existing businesses and operations of the Group, including its shareholding in Teledata, while continuing to explore new opportunities for further growth. As such, the Sale is part of the ongoing process of rationalising the businesses of the Group.

8. Disclosure of Interests

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Sale.

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.

9. Disclosure Pursuant to Rule 1010(13) of the SGX-ST Listing Manual

Rule 1006(a)	Net asset value of Sale Shares as at 31 December 2003	Net asset value of the Company and its subsidiaries (the "Group") as at 31 December 2003	Relative Figure
	S\$4,655,680	S\$61,847,000	7.53%
Rule 1006(b)	Net loss attributable to the Sale Shares for the financial year ended 31 December 2003	Net loss of the Group for the financial year ended 31 December 2003	Relative Figure
	S\$1,179,256	S\$7,549,000	15.62%
Rule 1006(c)	Aggregate consideration for the Sale Shares	Market capitalisation of the Company as at 18 May 2004	Relative Figure
	S\$6,190,237	S\$35,008,637	17.68%

10. Documents for Inspection

A copy of the Purchaser's letter of offer to the Company in relation to the Sale together with the Company's acceptance of such offer is available for inspection during normal business hours at the Company's registered office at 230 Victoria Street #12-00, Bugis Junction Tower, Singapore 188024, for a period of three months from the date of this announcement.

By Order of the Board

Lu Ling Ling
Company Secretary
19 May 2004