



**INTRACO LIMITED**

(Registration Number: 196800526Z)

**INVESTMENT IN ABECHA PTE LTD**

The Board of Directors of INTRACO LIMITED ('Intraco') is pleased to inform that Intraco has made an investment in ABECHA PTE LTD ('Abecha').

**The Investment**

This investment into Abecha is in line with Intraco's Enterprise Hub strategy to seek out business opportunities of global potential and has a strategic fit with the Intraco Group's core activities. This investment will enable the Intraco Group, with its international business and partnership networks, to supplement its existing range of business activities.

In relation to the above transaction, Intraco has entered into a convertible loan agreement ('Convertible Loan Agreement') with Abecha and its existing shareholders, Sesami (Holding) Pte. Ltd. and Microsoft Singapore Pte Ltd (collectively referred to as the 'Existing Shareholders') and Ong Teck Soon ('OTS') and Sesami (Singapore) Pte Ltd.

Pursuant to the terms of the Convertible Loan Agreement, Intraco has extended a convertible loan of S\$1,500,000 ('Convertible Loan') to Abecha which sum is to be capitalised (subject to the fulfilment of certain conditions) in two stages by the issue and allotment to Intraco of ordinary shares in Abecha representing 20% and 40% respectively of the post-subscription enlarged issued share capital of Abecha. Intraco has exercised its right to convert the first S\$750,000 of the Convertible Loan into 3,454,547 Shares, representing approximately 20% of the post-subscription enlarged issued share capital of Abecha.

In connection with the Convertible Loan Agreement, Intraco has also entered into a joint venture agreement ('Joint Venture Agreement') with Abecha, the Existing Shareholders and OTS to regulate the relationship of the parties inter se as shareholders in Abecha. Pursuant to the terms of the Joint Venture Agreement, Intraco has been granted a call option by the Existing Shareholders to acquire 20% of the share capital of Abecha (upon the exercise of which it will hold approximately 60% of the post-subscription enlarged share capital of Abecha). Intraco has also granted put options to the Existing Shareholders whereby they may require Intraco to acquire the remaining share capital of Abecha, subject to certain terms and conditions being fulfilled.

The consideration of S\$1,500,000 for Intraco's investment in Abecha was determined on a willing seller willing buyer basis and was funded by internal working capital.

The above transaction will not have any material impact on Intraco's net tangible assets and earnings per share for the financial year ending 31 December 2005. None of the Directors or substantial shareholders of Intraco have any interest, direct or indirect, in the above transaction.

Copies of the Convertible Loan Agreement and the Joint Venture Agreement are available for inspection during normal business hours at Intraco's registered office at 348 Jalan Boon Lay Singapore 619529 for three months from the date of this announcement.

BY ORDER OF THE BOARD

Lu Ling Ling  
Company Secretary

8 November 2005

**About Intraco (more at [www.intraco.com](http://www.intraco.com))**

Intraco was incorporated on 5 November 1968 by the Singapore Government with an initial role to assist in the creation of export markets for locally manufactured products, the promotion of external trade and to source for competitively priced raw materials, commodities and manufactured goods for the domestic market. It was listed on the then Stock Exchange of Singapore in December 1972. Since then, Intraco has expanded its scope of business. Over the last 36 years, Intraco has formed numerous partnerships and alliances all across the globe. The Intraco group comprises more than 20 subsidiaries, associated companies and regional offices which offer a wide range of products and value-added services.

Intraco's regional offices support the Group's businesses in Asia, Greater China, IndoChina and now the GCC, North Africa and the CIS regions.

Today, the Intraco Group serves as a competent and reliable regional partner and business launch pad for companies seeking regional hubs to grow their businesses.

**About Abecha (more at [www.abecha.com](http://www.abecha.com))**

Abecha was incorporated in Singapore on 26 March 2001 and as at the date hereof has an authorised share capital of S\$6,000,000 divided into 30,000,000 ordinary shares of S\$0.20 each ('Shares') and an issued and paid-up share capital of S\$2,763,637 divided into 13,818,185 Shares. It's businesses include premium sourcing and procurement services and it provides a comprehensive e-platform for efficient and effective sourcing and procurement. Abecha's counts among its business partners many government-linked companies, multi-national corporations and small and medium enterprises.

**For more information, please contact:**

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