



INTRACO Limited

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NEWS RELEASE - ADDITIONAL INFORMATION ON ANNOUNCEMENT MADE ON 8 NOVEMBER 2005

INTRACO LIMITED (the 'Company') wishes to further inform on its announcement made on 8 November 2005 in relation to its investment in Abecha Pte Ltd ("Abecha").

Capitalised terms in this announcement shall bear the same meaning as in the 8 November 2005 announcement.

Factors considered in determining the purchase consideration

The purchase consideration of S\$1,500,000 for the 40% interest in Abecha was determined on a willing-seller willing-buyer basis, and arrived at after taking into consideration the following factors:

- (i) Abecha's projected performance (reflected in the profit guarantee given to the Company); and
- (ii) the value of Abecha's business platform and business community and the potential business trading volume arising therefrom.

Terms of the call option and put options

Call option

The call option extended by the existing shareholders is in respect of 20% of the enlarged share capital of Abecha at the aggregate subscription price of S\$900,000. The call option is exercisable at the Company's discretion at any time 15 months after the audited accounts of Abecha for FY2006 are released and for a period of 3 months thereafter.

Put options

The put options are subject to the following conditions:

- (i) the put options can only be exercised after the above call option is exercised; and
- (ii) the existing shareholders may not exercise the put options unless and until the Company exercises its controlling shareholding in Abecha to substantially change Abecha's business (as currently carried on) and makes major changes in Abecha's business strategy; and/or Ong Teck Soon is involuntarily terminated due to such substantial change of Abecha's business.

Computation of ratios pursuant to Rule 1006(b) and (c) of the Listing Manual based on the purchase consideration of S\$1,500,000:

Ratio Pursuant to Rule 1006(b) Profits attributable to Abecha as a ratio to Intraco Group profits	
[a] Abecha's profits before taxation for six months period ended 30 June 2005	S\$213,618
[b] Profit attributable to the Company – 40%	S\$85,447
[c] Intraco Group's latest announced six months profit ended 30 June 2005	S\$1,879,000
Ratio [b]/[c]	4.55%

Ratio Pursuant to Rule 1006(c) Purchase consideration as a ratio to the Company's market capitalisation	
[a] Purchase consideration	S\$1,500,000
[b] The Company's number of issued shares	98,615,879
[c] The Company's closing share price as at 7 Nov 2005	S\$0.355
[d] Market capitalisation [b] X [c]	S\$35,008,637
Ratio [a]/[d]	4.28%

BY ORDER OF THE BOARD

Lu Ling Ling
Company Secretary