

INTRACO LIMITED

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

PROPOSED SALE OF REMAINING INTEREST IN TELEDATA (SINGAPORE) LIMITED

1. INTRODUCTION

- 1.1 **Sale.** The Board of Directors of Intraco Limited (the “**Company**” or “**Intraco**”) is pleased to announce that the Company has today entered into a conditional sale and purchase agreement (“**Agreement**”) with Apexwell Enterprises Limited (the “**Purchaser**”), a party unrelated to the Company, to sell 99,672,256 shares of S\$0.05 each (“**Sale Shares**”) in the share capital of Teledata (Singapore) Limited (“**Teledata**”), representing approximately 20.70 per cent. of the issued share capital of Teledata, to the Purchaser (“**Proposed Sale**”).
- 1.2 **Completion.** The completion of the Proposed Sale (“**Completion**”) is subject to the approval of the shareholders of the Company (“**Shareholders**”) at an extraordinary general meeting of the Company to be convened. Upon Completion, the Company will no longer hold any interest in Teledata, and Teledata will cease to be an associated company of Intraco.

2. PRINCIPAL TERMS

- 2.1 **Agreement.** Pursuant to the Agreement, the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares free from all encumbrances and together with all rights and advantages attaching to the Sale Shares as at Completion.
- 2.2 **Consideration.** The aggregate consideration payable to the Company for the Sale Shares is S\$3,556,306 (“**Consideration**”) of which S\$355,630.60 was paid in cash upon the signing of the Agreement, and the remainder payable in cash upon Completion. The Consideration was arrived at on a willing seller willing buyer basis.
- 2.3 **Condition Precedent.** Pursuant to the terms of the Agreement, the Proposed Sale is subject to and conditional upon the passing of a resolution by Shareholders to approve the Proposed Sale.
- 2.4 **Post-Completion.** Upon Completion, the Company will no longer hold any interest in Teledata, and Teledata will cease to be an associated company of Intraco.

3. INFORMATION ON TELEDATA

- 3.1 **Teledata.** Teledata is a communications services company incorporated in Singapore and is listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- 3.2 **Asset Value.** As at 31 December 2003, the book value of the Sale Shares was approximately S\$3,223,181 and the net tangible asset value of the Sale Shares was approximately S\$3,007,251. Based on the weighted average share price of the Teledata shares on the SGX-ST on 15 September 2004 (being the last market day on which Teledata shares were traded on the

SGX-ST preceding the date of the Agreement), the market value of the Sale Shares is approximately S\$4,495,219.

- 3.3 **Net Profits.** The net loss before tax, minority interests and exceptional items attributable to the Sale Shares for the financial year ended 31 December 2003 (“**FY2003**”) is approximately S\$816,382. The gain from the Proposed Sale of approximately S\$102,792 represents the premium of the Consideration over the Company’s carrying value of investment in the Sale Shares of S\$3,223,181 and legal, brokerage and commission fees of S\$230,334.

4. FINANCIAL EFFECTS

- 4.1 **Assumptions.** The proforma financial effects of the Proposed 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 only and do not reflect the actual future financial situation of the Intraco group after Completion. The proforma financial effects have been computed based on the consolidated audited financial statements of the Intraco group for FY2003.

- 4.2 **EPS.** Purely for illustrative purposes only and assuming that the Proposed Sale had been completed on 1 January 2003, the proforma financial effects on the consolidated earnings of the Intraco group for FY2003 are as follows:

	S\$'000
Loss attributable to Shareholders for FY2003	(5,514)
Less : adjustment of 2003 loss attributable to Teledata shares disposed on 19/05/04 ⁽¹⁾	1,321
Add : Gain from the disposal on 19/05/04	1,198
Proforma after the disposal on 19/05/04	(2,995)
Less : adjustment of 2003 loss attributable to Sale Shares ⁽²⁾	828
Add : Gain from disposal of Teledata shares in open market on 18/08/04	3
Add : Gain from the Proposed Sale	103
Proforma after the Proposed Sale	(2,061)
Weighted average number of shares ('000)	98,616
Loss per share (cents)	(5.59)
Loss per share, adjusted for the Proposed Sale (cents)	(2.09)

Notes:

(1) After the disposal on 19 May 2004, Teledata ceased to be a subsidiary, being adjustment for consolidation and equity account of FY2003 results.

(2) After the Proposed Sale, Teledata will cease to be an associate, being adjustment for equity account of FY2003 results.

- 4.3 **NTA.** Purely for illustrative purposes only and assuming that the Proposed Sale had been completed on 31 December 2003, the proforma financial effects on the consolidated NTA of the Intraco group for FY2003 are as follows:

	S\$'000
NTA as at 31 December 2003	60,805
Add : Gain from disposal of Teledata shares on 19/05/04	1,198
Add : Gain from disposal of Teledata shares on open market on 18/08/04	3
Add : Gain from Proposed Sale	103
Proforma after the Proposed Sale	62,109
Number of shares ('000)	98,616
NTA per share (cents)	61.66
NTA per share, adjusted for the Proposed Sale	62.98

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

5. RATIONALE AND USE OF PROCEEDS

Following the disposal of 143,959,000 shares in the capital of Teledata, representing approximately 29.9 per cent. of the issued share capital of Teledata, by the Company earlier this year on 19 May 2004 (the "**First Disposal**"), the Company's shareholding in Teledata had decreased from 50.65 per cent. to 20.75 per cent. The Company's only nominee on the Board of Directors of Teledata, Mr Teng Theng Dar, had also resigned with effect from 4 June 2004. As the Company no longer has control over Teledata, the Board is of the view that it would be in the interest of the Company to totally divest its remaining shareholding in Teledata. The Sale is also part of the ongoing process of rationalising the businesses of the Intraco group.

Further, Teledata has been loss making since the financial year ended 31 December 2000. The disposal by the Company of its remaining shareholding in Teledata is therefore expected to improve the financial performance of the Company.

The proceeds from the Sale represent an excess of approximately S\$102,792 over the book value of the Sale Shares, and the Company intends to use the proceeds for working capital purposes.

6. SHAREHOLDERS' APPROVAL

- 6.1 **Rule 1005.** Rule 1005 of the SGX-ST Listing Manual provides that in determining whether a transaction is a non-discloseable transaction, discloseable transaction, major transaction, very substantial acquisition or reverse takeover, the SGX-ST may aggregate separate transactions

completed within the last 12 months and treat them as if they were one transaction. As the First Disposal, the disposal of 250,000 shares in the capital of Teledata, representing 0.05 per cent. interest of the issued share capital of Teledata, by the Company in the open market on 18 August 2004 ("**Open Market Disposal**"), as well as the Proposed Sale all involve the Company's shares in Teledata and would be completed within 12 months, the Proposed Sale has accordingly been aggregated with the First Disposal and the Open Market Disposal in determining whether the Proposed Sale falls within Rule 1006 of the SGX-ST Listing Manual ("**Rule 1006**").

6.2 **Rule 1006.** The relative figures for the Proposed Sale aggregated with the First Disposal and the Open Market Disposal computed on the bases set out in Rule 1006 are as follows:

Rule 1006	Bases	Proposed Sale, First Disposal and Open Market Disposal (\$'000)	Intraco group (\$'000)	Relative Figures (%)
(a)	Net asset value of the Teledata shares disposed of pursuant to the Proposed Sale, the First Disposal and the Open Market Disposal compared with the Intraco group's net asset value	7,887	61,847	12.75
(b)	Net loss attributable to the Teledata shares disposed of pursuant to the Proposed Sale, the First Disposal and the Open Market Disposal compared with the Intraco group's net loss	(1,998)	(7,549)	26.46
(c)	Consideration received for the Proposed Sale, the First Disposal and the Open Market Disposal compared with the Intraco group's market capitalisation ⁽¹⁾	9,758	36,932	26.42

Note:

(1) The Intraco group's market capitalisation is based upon 98,616,000 shares of Intraco ("**Intraco Shares**") in issue as at 15 September 2004 at a weighted average market value of S\$0.3745 per Intraco Share.

As the relative figures under Rules 1006(b) and (c) exceed 20 per cent., the Proposed Sale when aggregated with the First Disposal and the Open Market Disposal constitutes a major transaction as defined in Chapter 10 of the SGX-ST Listing Manual. Accordingly, the Proposed Sale is therefore subject to the approval of Shareholders.

6.3 **EGM.** A circular to Shareholders (the "**Circular**") setting out information on the Proposed Sale, together with a notice of the extraordinary general meeting ("**EGM**") to be convened, will be despatched to Shareholders in due course. In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company which may be prejudicial to their

interests until they or their advisers have considered the information and the recommendations to be set out in the Circular.

7. FURTHER INFORMATION

- 7.1 **Directors' Service Contracts.** No person is proposed to be appointed as a director of the Company in connection with the Proposed Sale. Accordingly no service contract is proposed to be entered into between the Company and any such person.
- 7.2 **Interests of Directors and Substantial Shareholders.** None of the Directors or substantial shareholders of Intraco has any interest, direct or indirect, in the Proposed Sale or any other transaction ancillary to the Proposed Sale.
- 7.3 **Documents for Inspection.** A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company at 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
16 September 2004, Singapore