



Intraco Revised Terms with MHC

Singapore 22 December 2021 – Following its announcement on 13 December 2021, SGX Mainboard-listed company, Intraco Limited ("**Intraco**" or the "**Company**") today announced that the Company had entered into an amended binding heads of agreement with Messrs Mark Carnegie ("**Carnegie**") and Sergei Sergienko ("**Sergienko**") (together, "**the Sellers**") for the Company's 51% investment in the capital of MHC Singapore (the "**Acquisition**") to facilitate an expeditious completion of the Acquisition. MHC Singapore is a company to be incorporated in Singapore by Carnegie and Sergienko with equal shareholdings to take over the relevant businesses and assets of the MHC Digital Group.

Under the amendments, the purchase consideration for the Acquisition will be in the form of the issuance of (1) 42 million new shares in the Company at an issue price of S\$0.50 per share; and (2) 58 million warrants, each carrying the right to subscribe for 1 new share in the Company.

The warrants shall not be listed or traded on the SGX-ST and shall be exercisable by each Seller (either in full or in part) at any time within 7 years from the date of issue, at a nominal exercise price of S\$0.0001 per warrant, provided that, unless the outstanding issued share capital of the Company from time to time exceeds 345 million shares, no Seller will hold more than 14.5% of the total issued share capital of the Company at any time, taking into account any warrants which have been exercised. Each of the Sellers also undertakes to the Company not to request a board seat in the Company if he holds shares and/or securities convertible into 15% or more of the total issued share capital of the Company (including the warrants) from time to time.

Under the original heads of agreement, the purchase consideration comprised a combination of S\$10 million in cash and the issuance of 100 million new shares in the Company at an issue price of S\$0.50 per share. The new purchase consideration under the amended heads of agreement is lower than the original purchase consideration, as the cash consideration amount of S\$10 million has been removed.

The Company, Carnegie and Sergienko have agreed to sign a definitive agreement in the next two months following the entry into this amended heads of agreement. The completion of the Investment under the definitive agreement shall be subject to various conditions including the successful completion of the restructuring of the relevant businesses and assets in the MHC Digital Group to be held by MHC Singapore, procurement of the requisite approvals, satisfactory due diligence and financial performance and shareholders' approval at an extraordinary general meeting to be held by the Company. In relation to one of the conditions under the original heads of agreement relating to MHC Digital Co achieving a rolling 12-month consolidated group net profit after tax of at least S\$24 million during the period of 24 months from the date of the acquisition (to be calculated on such basis to be agreed between the parties), the S\$24 million target has been revised to S\$20 million in the amended heads of agreement.

A circular will be sent to shareholders and further details will be announced on SGXNet, when available.

Separately:

- (a) In respect of the 40 million warrants ("**Introducer Warrants**") to be issued by the Company, subject to shareholders' approval, to Mr. Wong Fong Fui ("**FF Wong**") (or a company beneficially owned by him) for introducing MHC Digital Group and the deal to the Company, such warrants will be exercisable at any time within 4 years from the date of issue at S\$0.50 per warrant, provided that, unless the outstanding share capital of the Company from time to time exceeds 283 million shares, no Introducer Warrants shall be exercisable if FF Wong holds (whether directly or indirectly) more than 14.5% of the total issued share capital of the Company from time to time (taking into account any Introducer Warrants which have been exercised).



- (b) In respect of the loan to be granted by FF Wong to MHC SG, the Company understands that the loan agreement has been signed today, on 22 December 2021, and that such loan is intended to be disbursed in January 2022.

For more information, please refer to the announcement uploaded to SGXNet on 22 December 2021 or contact Nicholas Yoong at Nicholas.Yoong@intraco.com

About Intraco Limited

Intraco Limited is an investment holding company listed on the Mainboard of the Singapore Exchange. Established in 1968 and listed in 1972, the Company was formerly the State trading arm of Singapore. The Company currently operates three principal businesses across ASEAN and China, specifically commodities trading (Intraco Trading), passive fire protection services (K.A. Group) and provision of mobile radio infrastructure management services (Intrawave). For more information, please log into www.intraco.com.sg