

INTRACO LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 196800526Z)

PROPOSED SUBSCRIPTION OF ORDINARY SHARES IN THE CAPITAL OF SLIDESG PTE. LTD., A MAJOR PAYMENT INSTITUTION

A. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Intraco Limited (the “**Company**”, together with its group companies, the “**Group**”) wishes to announce that the Company has today entered into a conditional shares subscription agreement (“**SSA**”) with SlideSG Pte. Ltd. (the “**SlideSG**”) and iAPPS Pte. Ltd. (“**iAPPS**”) pursuant to which the Company has agreed to subscribe for up to 1,000,000 new ordinary shares in the capital of SlideSG (the “**Subscription Shares**”) for a total consideration of S\$5.0 million (the “**Subscription Amount**”), on the terms and subject to the conditions of the SSA (the “**Proposed Subscription**”).

Upon completion of the Proposed Subscription (the “**SSA Completion**”), the Company will be the legal and beneficial owner of 50% of the enlarged issued and paid-up share capital of SlideSG after the SSA Completion.

B. THE PROPOSED SUBSCRIPTION

(1) Information on SlideSG

SlideSG is a private company limited by shares incorporated in Singapore on 4 November 2016. SlideSG’s primary activity relates to payment services. It is a major payment institution licensed by the Monetary Authority of Singapore (“**MAS**”) under the Payment Services Act 2019 to conduct the following regulated payment services, namely: (1) account issuance service, (2) domestic money transfer service, (3) cross-border money transfer service, (4) merchant acquisition service, (5) e-money issuance service and (6) money-changing service. SlideSG intends to apply to MAS to vary its licence to include the provision of digital payment token service.

As at the date of this announcement, SlideSG has a total issued and paid-up capital of S\$1.0 million comprising one (1) million ordinary shares (“**Shares**”) which are solely held by iAPPS. iAPPS is a private company limited by shares incorporated in Singapore on 25 July 2012, and its primary activity relates to the development of software and applications.

SlideSG has been primarily involved in the provision of mobile remittance and money changing services licensed under the MAS. Its SLIDE mobile application reaches out to users including many foreign workers in Singapore and offers the users a convenient and secure digital platform to execute local and overseas remittance and money changing transactions anytime and anywhere. It also has a marketplace feature wherein merchants are featured and users can buy products from the SLIDE mobile application.

SlideSG partners with merchants, retailers and other specialised services providers for SLIDE users to make payments via the SLIDE e-wallet conveniently. Users can also pay for or top-up their utility bills or prepaid cards in Singapore and other countries including Bangladesh,

India, Indonesia, and the Philippines. SLIDE Users can top-up the SLIDE e-wallet instantly via banking FAST transfers, 400 of 7-Eleven's island-wide locations, and by ATM transfers.

To date, SlideSG counts among its customer segments, banks, non-bank financial institutions, over 300 clinics and 80,000 holders of the SLIDE e-wallet.

SlideSG also plans to commence the provision of wholesale money services ("**Proposed WMS**") leveraging on the SLIDE App in the third / fourth quarter of 2023, subject to meeting licensing requirements (if any).

(2) Information on the Key Assets and Liabilities of SlideSG

Prior to the completion of the first tranche of the Proposed Subscription, SlideSG will acquire from iAPPS the digital platform known as SLIDE (the "**SLIDE App**"), and/or the licence of the intellectual property and information technology relating to and necessary for SlideSG's operation of SLIDE App independently from iAPPS, for an agreed consideration of S\$4.0m, taking into consideration its cost of development and the future commercial benefits SlideSG is expected to derive from owning and operating this SLIDE App directly. This acquisition will be funded from the proceeds from the issuance of the Subscription Shares as set out in the last column of the table in para 3(i) below.

As at 31 December 2022, SlideSG's unaudited net book value was approximately S\$0.4m. The unaudited revenue and net loss before tax for the financial year ended 31 December 2022 was approximately S\$0.3m and S\$8,000 respectively.

(3) Principal Terms of the SSA

(i) Subscription Shares

Pursuant to the SSA, the Company shall subscribe for the Subscription Shares in three (3) tranches, as follows:

Tranche No.	Key Triggering Event	Subscription Amount (S\$), payable in cash	Number of Respective Subscription Shares	Cumulative % of Company's Issued and Paid-up Capital	SlideSG's Resultant Issued and Paid-up Capital	SlideSG's Use of proceeds from the Proposed Subscription
First Tranche	Upon satisfaction of the conditions precedent as set out in the SSA (please refer to para 3(iii) below.)	S\$1.0 million	249,000	19.9%	S\$2.0 million, comprising 1,249,000 Shares	(a) S\$500,000 for working capital (b) S\$500,000 towards partial payment for S\$4.0m acquisition of SLIDE App
Second Tranche	Upon receipt of MAS' approval for the Investor to acquire a controlling interest in the Company and	S\$0.5 million	180,000	30.0%	S\$2.5 million, comprising 1,429,000 Shares	Partial payment for SLIDE App

Tranche No.	Key Triggering Event	Subscription Amount (S\$), payable in cash	Number of Respective Subscription Shares	Cumulative % of Company's Issued and Paid-up Capital	SlideSG's Resultant Issued and Paid-up Capital	SlideSG's Use of proceeds from the Proposed Subscription
	subject to other conditions precedent (please refer to para 3(iii) below.)					
Third Tranche	At Intraco's discretion, at any time following the completion of the subscription of the second tranche of Subscription Shares, and subject to certain conditions precedents (please refer to para 3(iii) below.)	S\$3.5 million	571,000	50.0%	S\$6.0 million, comprising 2,000,000 Shares	(a) Balance payment for the SLIDE App (b) S\$500,000 for working capital

(ii) Subscription Amount

The Subscription Amount was arrived at on a willing-seller, willing-buyer basis after arms' length negotiations among SlideSG, iAPPS and the Company, and after taking into account, *inter alia*, the development cost of the SLIDE App, the business plans and growth prospects of SlideSG and the outlook of the digital payment services industry.

(iii) SSA Conditions Precedent

The completion of the subscription of the Subscription Shares in each of the three (3) tranches (referred to below as "**First Closing**", "**Second Closing**" and "**Third Closing**" respectively, and "**Closing Date**" shall have the corresponding meaning) is subject to and conditional upon, *inter alia*, the satisfaction (or such waiver agreed by the SlideSG, iAPPS and Intraco in writing) of the certain conditions precedent, including (the "**SSA Conditions Precedent**"):

First Closing:

- (a) The results of a due diligence exercise (including but not limited to financial, business, tax and legal due diligence) over SlideSG and the SLIDE App being satisfactory to Intraco in its sole discretion;
- (b) The execution and delivery of the proposed joint venture agreement ("**JVA**") and other related documents in such form and substance mutually agreed by each Party on or prior to the Closing Date for the first tranche of Subscription Shares;
- (c) The business plan shall have been diligently prepared by SlideSG in good faith with Intraco;

- (d) SlideSG shall have appointed as key employees (being directors and C-suite or equivalent personnel) such individuals as shall be agreed with Intraco, and entered into employment agreements with all key employees regarding, *inter alia* non-solicitation, non-compete and confidentiality provisions on terms being satisfactory to the parties; and
- (e) The execution and delivery of such documents necessary to effect the transfer to SlideSG of the ownership in and/or the licence to SlideSG of all intellectual property and information technology relating to and necessary for the operation of the SLIDE App including the ownership and licences for all software, hardware, databases, source codes, and computer systems and infrastructure.

Second Closing:

- (f) Consent to be obtained by SlideSG from MAS for the Company to hold more than 20% interest in SlideSG on terms reasonably acceptable to the Company.

Third Closing:

- (g) SlideSG achieving an earnings before interests, taxation, depreciation and amortization (“**EBITDA**”) of at least S\$2.0m in any of the full financial year ending 31 December 2024, 2025 or 2026. The Company may nevertheless proceed to Third Closing before the financial year ending 2026 notwithstanding that the Company has not achieved the EBITDA of S\$2.0 million.

First Closing, Second Closing, Third Closing:

- (h) There shall not have been, on or prior to each Closing Date, (a) any event or condition of any character that constitutes or would reasonably be expected to cause a material adverse effect; and (b) any change in Singapore policy, statutory or regulatory framework that would have a material adverse impact on the ability of SlideSG or iAPPS to execute, deliver or perform pursuant to the SSA and/or the JVA on the Closing Date.
- (i) All requisite waivers and consents having been obtained and remaining valid and effective up till and including each Closing, and where any such requisite waivers and consents are subject to conditions, such conditions being satisfactory to the Company in its reasonable discretion and being fulfilled. These consents include the consent to be obtained by SlideSG from the MAS for the Company to hold more than 20% interest in SlideSG.
- (j) There shall not be: (a) any order or applicable law in effect that (i) restrains, enjoins or otherwise prohibits or makes illegal the consummation of any of the transactions contemplated by the SSA and/or JVA, or (ii) could reasonably be expected to otherwise result in a material diminution of the benefits to the Company and SlideSG of the transactions contemplated by the SSA and the JVA, or (b) any pending or threatened proceeding in, before or by any government authority which could reasonably be expected to result in the issuance of any such order or the enactment or promulgation of any applicable law.

- (k) SlideSG and iAPPS shall have performed and complied in all respects with all agreements, obligations and conditions contained in the SSA that are required to be performed or complied with on or before each Closing Date.
- (l) Subject to any disclosures, the warranties shall be true and correct in all respects, and shall be deemed to have been made pursuant to the SSA, with the same force and effect as if they had been made on and as of the execution date and each Closing Date, as applicable.
- (m) SlideSG shall have conducted its business in the ordinary and normal course, consistent with past practice and existing policies and in compliance with all applicable laws.

(iv) SSA Completion

SlideSG and iAPPS shall use their best efforts to procure the fulfilment (or to the extent applicable, waiver) of the SSA Conditions Precedent to the completion of the first and second tranche of the subscription of the Subscription Shares, and to effect the completion of the second tranche subscription by 31 December 2024 or such later date as may be agreed between SlideSG and the Company.

Subject to the fulfilment of the applicable SSA Conditions Precedent and the receipt of the applicable conditions precedent confirmation notice under the SSA, each Closing shall take place on the applicable Closing Date and at such place and time as the parties may agree in writing.

(v) Other Salient Terms of the SSA and the JVA

Pursuant to the SSA:

- (a) The Company, iAPPS and SlideSG shall enter into the JVA concurrently with the execution of the SSA or at the latest, on or prior to the Closing Date for the first tranche of Subscription Shares, such JVA containing the clauses customarily found in joint venture agreements, including reserved matters, tag-along rights and deadlock mechanism;
- (b) SlideSG shall, and iAPPS shall procure that SlideSG shall, between the date of the SSA and the Third Closing Date conduct its business in the ordinary and normal course, consistent with past practice and existing policies and in compliance with all applicable laws. Further, except as otherwise provided in the SSA, without Intraco's prior written consent (such consent not to be unreasonably withheld or delayed), SlideSG shall not take any decisions or actions in relation to any of the reserved matters of the JVA or which would result in any of the warranties being untrue;
- (c) iAPPS shall give SlideSG and the Company a right of first refusal to acquire the intellectual property rights to any new modules relevant to SlideSG's business at a consideration to be negotiated;
- (d) the Board of SlideSG shall comprise up to a maximum of four (4) Directors. The Company shall be entitled to nominate two (2) of the four (4) directors of the Board of SlideSG, and iAPPS shall be entitled to nominate the other two (2) of

the four (4) directors of the Board of SlideSG;

- (e) until the Third Closing Date, the chairperson of SlideSG's board of directors shall be appointed amongst the directors nominated by iAPPS and the chairperson shall be entitled to a casting vote in board decisions in the event of a deadlock but not for the Board's reserved matters to be agreed in the JVA; and
- (f) subject to the Companies Act 1967 and save for reserved matters as prescribed under the JVA, all directors' resolutions and shareholders' resolutions shall be adopted by a simple majority vote.

Pursuant to the JVA

- (g) The Company and iAPPS shall each contribute to SlideSG the sum of S\$300,000 for the capital expenditure and working capital requirements of the Proposed WMS business, on terms to be discussed and agreed in good faith; and
- (h) the Company and iAPPS shall contribute equally to the financial (including capital expenditure) need of the Proposed WMS business, and shall be deemed to share equally (as between themselves notwithstanding any new Shareholders) in the profit or loss attributable to the Proposed WMS business, with effect from 1 January 2023.

(4) Sources of Funds for the Proposed Subscription

The Subscription Amount will be funded by the Company from the net cash proceeds from its new shares issuance that was completed in January 2022 and its internal cash resources.

(5) The Proposed Subscription as a Major Transaction

(i) Application of Chapter 10 of the SGX Mainboard Listing Rules ("Listing Rules")

Under Rule 1004 of the Listing Rules, a transaction (as defined in Chapter 10 of the Listing Rules) may be categorised as a (a) non-disclosable transaction, (b) discloseable transaction, (c) major transaction or (d) very substantial acquisition or reverse takeover, depending on the size of the relative figures computed on the bases set out under Rule 1006 of the Listing Rules.

(ii) Relative figures for the Proposed Subscription under Rule 1006 of the Listing Rules

The relative figures computed on the bases set out under Rule 1006 of the Listing Rules in relation to the Proposed Subscription (as defined herein) based on the financial year ended 31 December 2022, being the latest available full financial year are as follows:

Rule 1006 Listing Rules	Bases	Relative figures (%) for the Proposed Subscription
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable to an acquisition of assets
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable as SlideSG was not profitable.
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization ⁽¹⁾	20.2%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as there is no issuance of equity securities by the Company.
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable as the Company is not a mineral, oil or gas (" MOG ") company

Note:

- (1) Determined based on the last closing price on the market day immediately preceding the date of the SSA and multiply by the total number of issued shares (excluding treasury shares) in the Company.

As the relative figure under Rule 1006(c) of the Listing Rules for the Proposed Subscription exceeds 20%, the Proposed Subscription is a major transaction, and is conditional upon the approval by shareholders at an extraordinary general meeting ("**EGM**").

The Company intends to seek shareholders' approval at an EGM for the Proposed Subscription and the Proposed WMS for the following reasons:

- (i) the Proposed Subscription and Proposed WMS represents the Company's investment and diversification into a new fintech or digital payment services and wholesale money services business segments ("**New Business**"); and
- (ii) the Proposed Subscription and Proposed WMS may result in the Company being exposed to certain risks relating to the New Business.

Details of the Proposed Subscription and Proposed WMS will be disclosed in the Circular to be issued. Shareholders will be given the due opportunity to vote on, as

well as the opportunity to raise questions and express their views on the Proposed Subscription at the EGM.

(6) No Service Contracts

No person is proposed to be appointed as a director in connection with the Proposed Subscription. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

(7) Rationale for the Proposed Subscription

The Proposed Subscription in Slide SG will enable the Company to acquire a significant interest in an operating major payment institution licensed by the MAS under the Payment Services Act 2019. This will allow the Company to immediately venture into the fast-growing payment services business in Singapore and the region. Slide SG has commenced operations since 2017. It is also in line with the Group's strategy to diversify into new revenue streams.

(8) Financial Effects of the Proposed Subscription

(i) Bases and Assumption

The *pro forma* financial effects of the Proposed Subscription on the Group set out below are only presented for illustration purposes, and are therefore not indicative of the actual and/or future results and financial situation of the Company or the Group after the SSA Completion.

The *pro forma* financial effects of the Proposed Subscription, based on the last audited consolidated financial statements for the financial year ended 31 December 2022 are set out below, and on the following bases and assumptions:

- (a) the financial effects on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Subscription was completed as at 31 December 2022;
- (b) the financial effects on the consolidated Loss per Share are computed based on the assumption that the Proposed Subscription was completed on 1 January 2022;
- (c) the expenses to be incurred in connection with the Proposed Subscription are estimated to be approximately S\$60,000; and
- (d) there is no goodwill arising for the Group from the Proposed Subscription.

(ii) Net Tangible Assets per Share

	Before the Proposed Subscription	After the Proposed Subscription
NTA per Share (Singapore cents)	51.6	51.6

(iii) **Loss per Share**

	Before the Proposed Subscription	After the Proposed Subscription
Loss per Share (Singapore cents)	1.2	1.2

C. EGM AND CIRCULAR

An EGM will be convened in due course to obtain Shareholders' approval for the Proposed Subscription and the Proposed WMS.

The EGM will be held by way of electronic means pursuant to the Companies, Business Trust and Other Bodies (Miscellaneous Amendments) Act 2023 (the "**Amendment Act**"). In line with the provisions under the Amendment Act, a Circular containing further details on the Proposed Subscription and Proposed WMS and enclosing a notice of the EGM ("**Notice of EGM**") in connection therewith will be uploaded to SGXNET and made available on the Company's website at the URL: <https://investor.intraco.com.sg/>. For further information on iAPPS and SlideSG, please visit their websites at the URLs: <https://www.iappsasia.com/> and <https://slide.sg/> respectively.

The Company will make further announcements relating to the Proposed Subscription, the Proposed WMS and the EGM as and when necessary, via SGXNET and the Company's website.

D. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company or their respective associates have any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Proposed Subscription.

E. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement, and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this announcement in its proper form and context.

F. CAUTION IN TRADING

The Company will make the necessary announcements, in compliance with the requirements of the Listing Rules, as and when there are material developments in respect of the Proposed Subscription.

Shareholders are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the shares of the Company.

Shareholders should note that the Proposed Subscription is subject to the fulfilment of their respective conditions set out above and, together with the Proposed WMS, subject to shareholders' approval. Hence there is no certainty or assurance as at the date of this announcement that the Proposed WMS will proceed, or that the Proposed Subscription will be completed or that no further changes will be made to the terms thereof.

Shareholders ought to exercise caution when trading or dealing in their shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

G. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 60 Albert Street #07-01 OG Albert Complex, Singapore 189969 during normal business hours for a period of three (3) months commencing from the date of this announcement:

- (i) the Constitution of the Company; and
- (ii) the SSA.

By Order of the Board

Josephine Toh
Company Secretary

5 September 2023