



**INTRACO LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196800526Z)

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**ENTRY INTO AMENDED AND RESTATED HEADS OF AGREEMENT IN RELATION TO THE  
PROPOSED INVESTMENT IN THE MHC DIGITAL GROUP**

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**1. INTRODUCTION**

*All capitalised terms in this announcement shall, unless otherwise defined herein, have the same meanings ascribed to them as in the Previous Announcement (as defined below).*

The board of directors (the “**Board**” or “**Directors**”) of Intraco Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement dated 13 December 2021 (the “**Previous Announcement**”). The Company had on 13 December 2021 entered into a Heads of Agreement (the “**Original HOA**”) with the Sellers for the proposed investment by the Company in the MHC Digital Group (the “**Proposed Transaction**”).

Following the Previous Announcement, the Company met with and briefed the SGX-ST on the Proposed Transaction.

After further discussions between the Company and the Sellers, the Board wishes to announce that, the Company has on 22 December 2021 entered into an Amended and Restated Heads of Agreement (the “**Amended HOA**”) with the Sellers, to amend and restate the Original HOA in its entirety.

The key changes to the terms of the Original HOA are set out in paragraph 2 below.

The Proposed Transaction shall be subject to, *inter alia*, the Parties entering into the Definitive Agreements. For the avoidance of doubt, the terms and conditions of the Proposed Transaction are not limited to that set out in the Amended HOA and the agreed terms of the Proposed Transaction in the Definitive Agreements (if and when entered into) may or may not differ from that set out in the Amended HOA.

The Company will make further announcements as and when there are material updates to the Proposed Transaction, including the entry into the Definitive Agreements.

**2. KEY CHANGES TO TERMS OF THE ORIGINAL HOA**

Pursuant to the Amended HOA, the Parties have agreed to the following key changes to the terms of the Original HOA.

Apart from those set out in this paragraph 2, there are no other key changes to the terms of the Original HOA.

**2.1 Structure of the Transaction and Consideration**

Pursuant to the Proposed Transaction, the Company will acquire from the Sellers existing ordinary shares in the capital of MHC SG representing 51% of the total issued share capital of MHC SG (collectively, the “**Sale Shares**”), such that upon completion of the Proposed Transaction, subject to tax advice, the Company will hold 51% of the total issued share capital of MHC SG (on a fully diluted basis) and the Sellers will hold the remaining 49% in equal proportion.



In consideration for the Sale Shares, the Company will allot and issue to the Sellers:

- (a) 42 million new ordinary shares in the Company at an issue price of S\$0.50 per share (collectively, the "**Consideration Shares**"), comprising 21 million Consideration Shares to be issued to Carnegie and 21 million Consideration Shares to be issued to Sergienko, representing a combined 29% of the total issued share capital of the Company as at completion of the Proposed Transaction; and
- (b) 58 million warrants, each carrying the right to subscribe for 1 new ordinary share in the Company (collectively, the "**Consideration Warrants**"), comprising 29 million Consideration Warrants to be issued to Carnegie and 29 million Consideration Warrants to be issued to Sergienko, on terms to be agreed between the Parties.

The Consideration 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 Consideration Warrant, provided that, unless the outstanding issued share capital of the Company from time to time exceeds 345 million shares, no Seller shall at any time hold (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 Consideration Warrants which have been exercised).

Each of the Sellers undertakes to the Company not to request a board seat at the Board if he holds shares and/or securities convertible into 15% or more of the total issued share capital of the Company (including but not limited to Consideration Warrants) from time to time.

Subject to the Company receiving the requisite shareholder approval, in consideration for introducing the Company and the Sellers for the purposes of the Proposed Transaction, the Company will issue to Wong Fong Fui (or a company beneficially owned by him) (the "**Introducer**") 40 million warrants, each carrying the right to subscribe for one new share in the Company (collectively, the "**Introducer Warrants**"), exercisable at the Introducer's discretion at S\$0.50 per Warrant at any time within 4 years from the date of issue, 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 the Introducer 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).

The Introducer Warrants will not be listed and traded on the SGX-ST. For the avoidance of doubt, the grant and the exercise of the Introducer Warrants are not conditional upon completion of the Proposed Transaction.

In respect of the loan to be granted by the Introducer 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.

## 2.2 Conditions Precedent

In respect of the condition precedent relating to MHC SG 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 Agreement (to be calculated on such basis to be agreed between the Parties), the S\$24 million target has been revised to S\$20 million.



### 3. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the Directors or controlling shareholders of the Company and/or their respective associates has any interest, direct or indirect, in the Proposed Transaction, other than through their respective shareholding interests in the Company, if any.

### 4. FURTHER ANNOUNCEMENTS

**The Board wishes to emphasise that the Amended HOA is subject to the Parties' entry into the Definitive Agreements. The Proposed Transaction is subject to further negotiations and conditions, and there is no certainty or assurance as at the date of this announcement that the Parties will eventually enter into any Definitive Agreement as contemplated under the Amended HOA. If the Proposed Transaction proceeds, completion of the Proposed Transaction is subject to the fulfilment of conditions precedent, including the amended condition in paragraph 2.2 above, and may only take place up to 24 months from the date of entry into the Acquisition Agreement.**

The Proposed Transaction, should it proceed, is envisaged to constitute a major transaction as defined under Chapter 10 of the Listing Manual and will accordingly be subject to, amongst others, the approval of the Shareholders at an extraordinary general meeting to be convened.

The Company will make further announcements as and when appropriate in compliance with the requirements of the Listing Manual (including, *inter alia*, information required under Chapter 10 of the Listing Manual) if and when the Definitive Agreements in respect of the Proposed Transaction have been entered into and/or when there are material developments in respect of the Proposed Transaction.

### 5. CAUTION IN TRADING

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Definitive Agreements will be entered into, the terms and conditions of the Proposed Transaction will not differ from that set out in the Amended HOA, or the Proposed Transaction will be undertaken or completed at all. The Company will make the necessary announcements as and when there are further developments on the Proposed Transaction.**

**Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

FOR AND ON BEHALF OF THE BOARD

Mak Lye Mun  
Chairman and Independent Director

22 December 2021