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

ANNOUNCEMENT – COMMENCEMENT OF ARBITRATION AGAINST LHL INTERNATIONAL PTE LTD BY INTRACO LIMITED ("THE COMPANY")

Further to the Company's announcements on 15 and 19 September 2011 and in connection with the above captioned matter, the Company wishes to announce that LHL International Pte Ltd ("**LHL**") has called upon the Company's Bank Guarantee (amounting to S$265,000.00) provided by the Company in relation to the Orchard Central project.

The Orchard Central project, a construction/ building project, is the subject matter of the dispute between the Company and LHL. The Company has anticipated the call by LHL on the Company's Bank Guarantee as such calls on a sub-contracting party's bank guarantee or performance bond is a common occurrence in similar disputes. LHL's call on the Company's Bank Guarantee will be dealt with during the course of the arbitration proceedings.

The Company will make further announcement(s) as and when there are material developments on this matter.

BY ORDER OF THE BOARD

Wee Jee Kin
Company Secretary
23 September 2011