INTRACO LIMITED

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

PROPOSED DISPOSAL OF THE GROUP'S PASSIVE FIRE PROTECTION BUSINESS AND PROPOSED CAPITAL REDUCTION

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1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Intraco Limited (the "**Company**") refers to the announcements dated 9 May 2024 and 15 May 2024 in relation to the above matter (the "**Disposal Announcement**"). All capitalised terms used herein, unless otherwise defined, have the meanings ascribed to them in the Disposal Announcement.

Subsequent to the Disposal Announcement, in July 2024, on behalf of the Buyers, Ms Soh Ying Sin ("**Ms Soh**") discussed and negotiated with the Company to:-

(i) increase her share in the Sale Shares in KAGHPL from 45.0% to 51.0% and correspondingly the other 2 Buyers ie TH Investments Pte Ltd and Macondray Holdings Pte. Ltd. will reduce their respective share in the Sale Shares to 24.5% instead of 27.5%; and

(ii) retain and own one of K.A. Group's key industrial property at 43 Tuas View Close Singapore 637477 post-Completion in K.A. Group instead of transferring to the Company at Completion and leasing it from the Company for its business use. The leasehold industrial property with a floor area of approximately 10,568 square feet and valued at S$4.0 million as at 30 July 2023 by an independent valuer is used for its passive fire protection businesses.

2. SUPPLEMENTAL SHARE SALE AND PURCHASE AGREEMENT

Pursuant to the abovementioned, the Board wishes to announce that the Company and the Buyers have entered into a supplemental agreement dated 15 August 2024 ("**Supplemental Agreement**") to amend the terms and conditions of the SPA as follows:

1) Ms Soh will purchase 51.0% (instead of 45.0%) of the Sale Shares. Accordingly, by way of security for the Deferred Consideration, Ms Soh's share charge shall be over her 51.0% (instead of 45.0%) shareholdings in KAGHPL post-Completion in favour of the Company. Accordingly, each of TH Investments Pte Ltd and Macondray Holdings Pte. Ltd. will purchase 24.5% (instead of 27.5%) of the Sale Shares; and

2) KAGHPL shall carry out a capital reduction exercise following the supplemental agreement to distribute S$4.0 million to the Company prior to Completion of the Proposed Disposal, in which (i) S$3.0 million shall be distributed and paid to the Company immediately and (ii) the balance of S$1.0 million shall be payable to the Company over a period of up to 5 years from the effective date of the KA Capital Reduction, bearing an interest of 3.7% per annum for the first 2 years and 3-months SORA plus 3.0% thereafter. Such amounts payable shall be secured by a second charge over the property at 43 Tuas View Close Singapore 637477 executed in favour of the Company on terms reasonably satisfactory to the Company ("**KA Capital Reduction**"). The KA Capital Reduction exercise shall be a condition precedent to the completion of the Proposed Disposal; and

Notwithstanding the above, **the Purchase Consideration of S$6.9 million pursuant to the SPA remains unchanged.** This is arrived at after taking into consideration the adjusted consolidated net asset value of the K.A. Group as at 31 December 2023 shall remain at $6.811 million, after adjusting for the KA Capital Reduction and excluding the net book value of the other two leasehold industrial properties at 71 Tuas View Place #05-01 and #05-20 Singapore 637434, with a net book value of S$1.069 million as at 31 December 2023.

The Supplemental Agreement also included consequential changes to be made to the SPA including (a) adding to the SPA a new condition precedent for the completion of the KA Capital Reduction exercise and (b) deleting the condition precedent for the transfer of 43 Tuas View Close to the Company prior to Completion of the Proposed Disposal and entering into a subsequent lease arrangement thereafter.

For the avoidance of doubt, the Completion of the Proposed Disposal and Proposed Capital Reduction continues to be subject to the other conditions precedent in the SPA and as disclosed in the announcement on 9 May 2024. Such conditions include (i) completion of the Proposed Capital Reduction; (ii) the Buyers entering into a shareholders' agreement; (iii) the approval of the Singapore Exchange being granted to the Company for the Proposed Disposal and the Proposed Capital Reduction and not withdrawn or revoked and if such consents or approvals are granted subject to any conditions, such conditions being acceptable to the Company and/or the Buyers; and (iv) the approval of the Independent Shareholders for the Proposed Disposal and the Shareholders for the Proposed Capital Reduction at an EGM to be convened.

3. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND PROPOSED CAPITAL REDUCTION

Consequential to the change in section 2 above, the *pro forma* financial effects are as follows:

Net Tangible Assets ("NTA") Per Share

Assuming that the Proposed Disposal and Proposed Capital Reduction Exercise was completed on 31 December 2023, the *pro forma* financial effects on the Group's NTA per share would be as follows:

	Before the Proposed Disposal and Proposed Capital Reduction	**After the Proposed Disposal and before the Proposed Capital Reduction**	**After the Proposed Disposal and Proposed Capital Reduction**
NTA of the Company (S$ '000)	61,474	61,792	55,043
Number of issued ordinary shares in the capital of the Company	112,483,479	112,483,479	112,483,479
NTA per share (S$ cents)	0.55	0.55	0.49

Earnings Per Share

Assuming that the Proposed Disposal was completed on 1 January 2023, the *pro forma* financial effects on the Group's EPS would be as follows:

	Before the Proposed Disposal and Proposed Capital Reduction	**After the Proposed Disposal and before the Proposed Capital Reduction**	**After the Proposed Disposal and Proposed Capital Reduction**
Profit attributable to Shareholders (S$ '000)	3,180	3,498	3,498
Weighted average number of ordinary shares, excluding treasury shares	112,483,479	112,483,479	112,483,479
EPS (S$ cents)	2.83	3.11	3.11

4. 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 enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SPA, the Proposed Disposal, the Proposed Capital Reduction 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 in this announcement 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 those sources and/or reproduced in this announcement in its proper form and context.

5. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are further material developments on the Proposed Disposal and Proposed Capital Reduction.

6. 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 Disposal and Proposed Capital Reduction.

Shareholders and securityholders should note that the completion of the Proposed Disposal is subject to, amongst others, the fulfilment of the Conditions Precedent under the SPA. There is no certainty or assurance that the Conditions Precedents can be fulfilled or that the Proposed Disposal and Proposed Capital Reduction will be undertaken at all or that no further changes will be made to the terms thereof. There is also no certainty or assurance that the Proposed Disposal and Proposed Capital Reduction will be undertaken and completed or that no further changes will be made to the terms thereof.

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

Shareholders and securityholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take or when dealing with their shares or securities of the Company.

By Order of the Board

Josephine Toh
Company Secretary

15 August 2024