

INTRACO LIMITED

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

RESPONSE TO SGX QUERY IN RELATION TO THE ANNOUNCEMENT OF THE UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors of INTRACO Limited (the “**Company**”) refers to its announcement dated 27 February 2015 on its unaudited results for the financial year ended 31 December 2014 (the “**Announcement**”).

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) has, subsequent to the release of the Announcement, requested for further information pertaining to the Announcement. The query from SGX-ST and the Company’s response to the query are as follows:

SGX-ST query: We note that the Trade and other receivables increased by approximately 128% from S\$9,498,000 as at 31 December 2013 to S\$21,608,000 as at 31 December 2014, with an increase in revenue of approximately 18.2% from S\$127,917,000 to S\$151,167,000 for the same period.

We also note on page 5 of the financial results announcement that the Group acquired 70% equity interest in (I) K.A. Building Construction Pte Ltd; (II) K.A. Fireproofing Pte Ltd; (III) K.A. Fabric Shutters Pte Ltd; (IV) K.A. FireLite Pte. Ltd. (previously known as Firespray International (S) Pte Ltd); and (V) K.A. Firespray Sdn Bhd, “KA Group of Companies”. The identifiable assets acquired include Trade and other receivables of approximately \$5,012,000. In this regard, please explain the reason(s) for the increase in Trade and other receivables and whether the Company foresees any issue(s) with the collection of these receivables.

Response to SGX-ST query:

The increase in trade and other receivables of S\$12,110,000 was due mainly to:

- (1) the inclusion of trade and other receivables of the KA Group of Companies amounting to S\$5,217,000 as at 31 December 2014; and
- (2) an increase in trade receivables of S\$7,324,000 from the Plastics Division as a result of increased activities, particularly in the last quarter of 2014.

The Company does not foresee any issues with the collection of these receivables.

As at 9 March 2015, the Company has collected approximately S\$16,851,000 (or 97%) of the outstanding trade receivables of S\$17,437,000 as at 31 December 2014.

By Order of the Board

Tan San-Ju
Company Secretary
11 March 2015