



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

UPDATE ON THE IMPACT OF COVID-19 ON THE GROUP'S OPERATIONS

The Board of Directors (the "**Board**") of Intraco Limited (the "**Company**") wishes to provide an update and clarification to the shareholders of the Company (the "**Shareholders**") in relation to its principal subsidiary, K.A. Group Holdings Pte Ltd (together, with its subsidiaries, the "**KA Group**"):

- (a) As a consequence of the Covid-19 outbreak and measures (the "**Pandemic**"),
- the re-commencement of KA Group's projects has been further delayed (following a temporary halt since April 2020); however normal work and operations are expected to resume by the end of September or early October 2020;
 - raw materials cost for KA Group's projects have increased due to disruptions to the supply chain; and
 - the way in which the business of KA Group operates, involving the availability of foreign workers, dormitory accommodation arrangements and need for work shifts, will change.
- (b) KA Group has been carrying out rectification works in relation to a number of its projects due to certain oversights in the application of raw materials (the "**Rectification Works**");
- (c) The total estimated cost associated with the Rectification Works has now been ascertained as approximately S\$587,435. This amount has been provided for in the Company's half year results for the period ended 30 June 2020 (the "**Results**") and released via SGXNet on 7 August 2020 (see note (d) of 1(b)(i) and note 8 of the Results); and
- (d) The Rectification Works have not been completed although the targeted completion of the Rectification Works by the end of 2020 still remains.

The unexpected delays in the re-commencement of projects along with the Rectification Works, increase in raw materials cost and changes to workers and work site arrangements as a result of the Pandemic are expected to have a material and adverse impact on the cost and profitability of KA Group (and hence the Company). Intraco Group's overall liquidity position however remains strong.

The Company will make further announcements to update its Shareholders when there are material updates as may be necessary or appropriate. Shareholders and investors are advised to read this announcement and any past and future announcements by the Company when dealing with the shares of the Company. Shareholders and investors should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their shares of the Company.

FOR AND ON BEHALF OF THE BOARD
INTRACO LIMITED

Colin Low
Director and Chairman of the Board

7 September 2020