

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