

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

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

Reference is made to the Company's announcement dated 7 September 2020 (the "**Announcement**") in relation to its principal subsidiary, K. A. Group Holdings Pte Ltd (together, with its subsidiaries, the "**KA Group**"). All capitalised terms used herein shall have the meaning ascribed to it in the Announcement.

Further to the Announcement, the Board of Directors (the "**Board**") of Intraco Limited (the "**Company**") or together with its subsidiaries, the "**Group**") wishes to provide a further update as follows:-

1. the original target completion date of 31 December 2020 in relation to the Rectification Works has been delayed to 2021. Urgent catch up is required in respect of a backlog of projects that were temporarily halted from April to August 2020 due to Covid-19 safety measures. Although project work had recommenced in August 2020, the overall progress and completion of projects has been severely hampered by manpower constraints resulting from the limited availability of foreign workers and changes to work site arrangements; and
2. the total estimated cost associated with the Rectification Works of S\$587,435 had been fully provided for in the Company's half year results for the period ended 30 June 2020 (the "**Results**"). Due to labour shortage, an additional provision of approximately \$20,000 had been made in the December 2020 accounts to cater for an unexpected increase in labour costs.

As stated in the Announcement, 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 as well as the Company. The Company will disclose more details in its full year results announcement for the year ended 31 December 2020, which is expected to be released before the end of February 2021.

ON BEHALF OF THE BOARD
INTRACO LIMITED

Josephine Toh
Company Secretary

14 January 2021