



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

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE SGX-ST LISTING MANUAL

Introduction

Intraco Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the watch-list of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) with effect from 6 June 2023, pursuant to Rule 1311(1) of the Listing Manual of the SGX-ST (the “**Listing Manual**”).

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the “**Board**”) of the Company would like to provide an update in respect of the third quarter of the financial period ended 30 September 2023.

Update on Unaudited Financial Performance and Financial Position

In the third quarter of the financial period ended 30 September 2023, the Group’s unaudited net loss before taxation was approximately S\$0.2 million, primarily due to expected credit losses from its passive fire protection products and services business’s (“**KA Group**”) receivables and contract assets outstanding of S\$0.4 million from certain customers (please also see the Company’s SGX announcement on 22 August 2022). The Group recorded an unaudited net profit before taxation of approximately S\$0.2 million for the nine months ended 30 September 2023 compared to a loss of S\$0.5 million for the corresponding period in September 2022.

As at 30 September 2023, the Group’s net assets value was approximately S\$59.3 million. and net asset value per share was S\$0.53 per share. Total cash and cash equivalents and investments in short-term securities and corporate bonds was S\$41.6 million and total trust receipts outstanding was S\$2.1 million as at 30 September 2023.

Update on Future Direction and Other Material Development

The Group’s trading and distribution division will continue to strive to remain competitive and endeavour to expand into higher-margin plastic resin products and grow its customers base in its principal markets in the region, notwithstanding the persisting challenges it is facing, in particular due to the relatively high interest rates, on-going war in Ukraine and Israel, geo-political tension between the USA and China and uncertainty in the global economic environment. Since the Group’s appointment as the exclusive distributor for National Cellar 国窖 1573 series of Chinese 白酒 baijiu in Singapore in December 2022, it has contributed positively to the Group’s financial performance to-date.

On 22 August 2023, the Company had announced that one of the customers in the Group’s passive fire protection products and services division (“**KA Group**”) was placed under judicial management and KA Group had made a full provision of approximately \$0.4 million pertaining to the entire receivables and contract assets outstanding from the said customer. In September 2023, KA Group managed to recover S\$67,000 from the said customer. KA Group will continue to review and monitor its outstanding receivables, retention sums and contract assets from all its customers.



In its digital assets business, as at 30 September 2023, the Group, through its subsidiary, Taurus Point Capital Pte Ltd ("**TPC**"), has successfully advised a few accredited corporate customers in Singapore to raise an aggregate of approximately S\$170.0 million in short term commercial papers in a digitised token format which are listed on digital exchanges in Singapore regulated by the Monetary Authority of Singapore ("**MAS**"). In August 2023, TPC advised on a first trade token ("**TradeTok**") issued and listed on a MAS approved digital private exchange. The US\$2.1 million proceeds raised from accredited investors were deployed to fund trade finance and supply chain assets. TPC will continue to build up its digital assets advisory and assets tokenisation capabilities and explore more opportunities with suitable accredited corporate customers.

With respect to the Company's proposed acquisition of MHC Digital SG Pte. Ltd., as at the date of this announcement, certain of the conditions precedent, in particular MHC Spore and its subsidiaries achieving an agreed rolling 12-month net profit target and satisfactory due diligence has not been fulfilled or waived by the Company.

On 5 September 2023, the Company announced plans to venture into the fast-growing payment services business in Singapore and the region by subscribing up to 1,000,000 new shares in SlideSG Pte. Ltd., an operating licenced major payment institution, representing up to 50% of its enlarged issued and paid-up share capital, for a total consideration of up to S\$5.0 million. Please also see the Company's SGX announcement on 5 September 2023. The circular to shareholders containing further information on this proposed subscription and the notice of extraordinary general meeting will be despatched to the Company's shareholders in due course.

On 25 September 2023, the Company announced that its subsidiary, Intraco Trading Pte Ltd ("**ITPL**"), has received a letter from the liquidator of TGPL (the "**Liquidator**") informing that the proof of debt submitted by ITPL has been adjudicated and admitted in accordance with the provisions set out under Section 328 of the Companies Act 1967. In the same letter, the Liquidator has informed ITPL that it will pay ITPL S\$4.96 million, before any taxation, representing approximately 44% of ITPL's admitted claims. Subsequently on 27 October, the Company has been informed by the Liquidator informed that the final amount can only be determined after the tax assessment has been completed by the Inland Revenue Authority of Singapore ("**IRAS**"). Accordingly, the Liquidator has instructed the Official Receiver to hold off any payments to ITPL until IRAS issues a Notice of Assessment. The aforesaid will have a material positive contribution to the financial performance and financial position of the Group for the current financial year ending 31 December 2023.

The Group continues to uphold a healthy balance sheet and net cash position. It will continue to manage its investments, costs and risks exposure appropriately. The Group will continue to review and apply strict cost management measures and a cautious, prudent and risk-managed approach to capital allocation decisions. The Group will continue to consider appropriate mergers, acquisitions and joint ventures as and when any suitable opportunities arise.

BY ORDER OF THE BOARD

Josephine Toh
Company Secretary
10 November 2023