

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

UPDATE ON USE OF PROCEEDS

The Board of Directors (the “**Directors**”) of Intraco Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its circular dated 2 July 2020 (the “**Circular**”) in relation to its disposal of 86,645,000 ordinary shares in the issued and paid-up share capital of Dynamic Colours Limited (the “**Disposal**”) and wishes to provide an update on the utilisation of the net proceeds from the Disposal.

As set out in the Circular, the Group intended to use the net proceeds of approximately S\$19,350,000 arising from the Disposal (the “**Net Proceeds**”) for (a) exploration of investments including increasing the Group’s presence in markets in which the Group operates in or expansion into new high growth markets; (b) acquisitions of businesses and assets and entry into strategic alliances and/or joint ventures; (c) payment of any dividends to the Shareholders, where appropriate and in line with the requirements of the Companies Act; and/or (d) general corporate and/or working capital purposes.

The Company is actively seeking to identify suitable investment opportunities to drive growth both organically and inorganically. Whilst awaiting the deployment of this cash, the Company has temporarily placed approximately S\$25,000,000 which includes the Net Proceeds and other cash resources of the Company into money market and bond fund investments (the “**Investment**”) on a short-term basis to generate higher-than-fixed deposit returns.

The Investment is not expected to have any material impact on the Group’s earnings per share, net tangible assets or gearing for the year ending 31 December 2021.

NO CHANGE TO THE RISK PROFILE OF THE COMPANY

In view of the relatively low risk, low volatility and short duration of the Investment, the Board is of the view that the Investment will not change the risk profile of the Company and does not constitute a diversification of the Group’s business. In the event that there is a change of the risk profile and/or diversification of the Group’s business pursuant to the Investment, shareholders’ approval(s) will be sought as and when necessary.

ON BEHALF OF THE BOARD
INTRACO LIMITED

Josephine Toh
Company Secretary

25 February 2021