

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

**ACQUISITION OF AN ADDITIONAL 9.57% EQUITY STAKE IN DYNAMIC COLOURS LIMITED AND
MANDATORY CONDITIONAL CASH OFFER FOR DYNAMIC COLOURS LIMITED – LAPSE OF OFFER**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Intraco Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to (a) the announcement dated 3 May 2013 in relation to the acquisition by the Company of a 9.57% stake in Dynamic Colours Limited (“**DCL**”) and the mandatory conditional cash offer (the “**Offer**”) by CIMB Bank Berhad, Singapore Branch, for and on behalf of the Company, to acquire all the issued ordinary shares (“**DCL Shares**”) of DCL other than those already owned, controlled or agreed to be acquired by the Company (the “**Initial Announcement**”), and (b) the press release dated 2 July 2013 in relation to the lapse of the Offer (the “**Press Release**”).

Following the lapse of the Offer, the Board wishes to supplement the information provided in the Initial Announcement for the sake of completeness and to draw the attention of shareholders to the relatively smaller effect the transaction had on the Company. This Announcement should accordingly be read in conjunction with the Initial Announcement, including the disclosures therein in respect of, *inter alia*, the description of DCL and its business.

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Initial Announcement.

2. PURCHASES OF DCL SHARES

As disclosed in the Initial Announcement, the Company acquired 20,100,000 DCL Shares (the “**Initial Acquisition Shares**”) on 3 May 2013 (the “**Initial Acquisition**”), which, together with the 62,800,000 DCL Shares owned by the Company prior to the Initial Acquisition, triggered the Offer under Rule 14 of the Code. Aside from the DCL Shares acquired pursuant to the Initial Acquisition, between the date of the Initial Announcement and up to the lapse of the Offer, the Company acquired an aggregate of 466,000 additional DCL Shares (the “**Subsequent Acquisition Shares**”) through a series of on-market transactions (the “**Subsequent Acquisitions**”).

Accordingly, the Company acquired an aggregate of 20,566,000 DCL Shares from the Initial Acquisition up to the lapse of the Offer, and, together with the 62,800,000 DCL Shares owned by the Company prior to the Initial Acquisition, the Company owned an aggregate of 83,366,000 DCL Shares, representing approximately 39.70% of the DCL Shares in issue, as at the lapse of the Offer.

As disclosed in the Initial Announcement, based on the latest audited results of DCL for the financial year ended 31 December 2012, the net asset value per DCL Share is US\$0.153, the net tangible asset per DCL Share is US\$0.153 and the earnings per DCL Share is US\$0.0108, and the last transacted price of DCL Shares on the SGX-ST on 2 May 2013 (being the last market day on which DCL Shares were traded prior to the date of the Initial Announcement) was S\$0.154 per DCL Share. The profit before income tax, minority interests and extraordinary items attributable to the 20,566,000 DCL Shares acquired is US\$0.31 million.

3. AGGREGATE CONSIDERATION FOR THE PURCHASES OF DCL SHARES

The aggregate consideration (excluding brokerage fees, clearing fees and applicable taxes) paid by the Company for purchases of the above-mentioned 20,566,000 DCL Shares was S\$3,804,710, based on the price per DCL Share of S\$0.185. The settlement of the purchases of DCL Shares was satisfied wholly in cash.

As disclosed in the Initial Announcement, the consideration for the Initial Acquisition was determined based on arm's length negotiations between the Company and the respective vendors of the Initial Acquisition Shares. The purchase price per Subsequent Acquisition Share was determined having regard to, *inter alia*, the purchase price per Initial Acquisition Share.

4. CHAPTER 10 OF THE LISTING MANUAL

Based on the 20,566,000 DCL Shares acquired, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Percentage (%)
(a)	NAV of the DCL Shares disposed of, compared with the consolidated NAV of the Group	Not applicable for acquisitions
(b)	Net profits attributable to the DCL Shares acquired compared with the net profits of the Group ⁽¹⁾	Not meaningful ⁽²⁾
(c)	Aggregate amount of consideration payable for the DCL Shares acquired compared with the market capitalisation of the Company ⁽³⁾	7.1
(d)	Number of ordinary shares in the Company ("Shares") to be issued compared with the number of Shares previously in issue	Not applicable as no Shares will be issued

Notes:

- (1) Net profit is defined as profit or loss before taxation, minority interests and extraordinary items.
- (2) Not meaningful as the Company recorded a consolidated net loss of approximately S\$8.92 million, while the consolidated net profits attributable to the 20,566,000 DCL Shares is approximately US\$0.31 million, based on the latest announced consolidated financial statements of the Company and DCL for the financial year ended 31 December 2012, respectively.

- (3) The market capitalisation of the Company is calculated on the basis of 98,725,879 Shares in issue as at the date of the Initial Announcement and 1-day VWAP of S\$0.539 for each Share on 26 April 2013, being the last market day on which Shares were traded immediately before the date of the Initial Announcement. The relative figures calculated under Rule 1006(c) of the Listing Manual based on the market capitalisation of the Company in respect of the days on which the Company acquired the Subsequent Acquisition Shares are also less than 20%.

As the relative figures computed on the basis set out in Rule 1006 of the Listing Manual exceed 5% but do not exceed 20%, the acquisition of the 20,566,000 DCL Shares constitutes a discloseable transaction under Chapter 10 of the Listing Manual and is therefore not required under Chapter 10 of the Listing Manual to be subject to the approval of the Shareholders at an EGM. Accordingly, and after consultation with the SGX-ST, the Company will not be seeking Shareholders' ratification of the acquisition of the 20,566,000 DCL Shares at an EGM.

5. FINANCIAL EFFECTS

For illustrative purposes only, a summary of the financial effects of the acquisition of the 20,566,000 DCL Shares is set out below. The said financial effects do not represent a projection of the actual financial performance or position of the Group after the completion of the acquisition of the 20,566,000 DCL Shares. The financial effects of the acquisition of the 20,566,000 DCL Shares have been prepared using the respective audited consolidated financial statements of the Company and DCL for the financial year ended 31 December 2012, and are based on the following key assumptions:

- (a) the acquisition of the 20,566,000 DCL Shares had been completed on 1 January 2012 (being the beginning of the most recently completed financial year of the Company) for the purpose of computing the financial effects on the consolidated EPS of the Company;
- (b) the acquisition of the 20,566,000 DCL Shares had been completed on 31 December 2012 (being the end of the most recently completed financial year of the Company) for the purpose of computing the financial effects on the consolidated NAV and NTA per Share;
- (c) the financial effects computation below have taken into account transaction costs of S\$570,000;
- (d) the assets and liabilities of DCL are based on their respective book values and no fair valuation exercise has been undertaken in respect of such assets and liabilities; and
- (e) there is a negative goodwill of S\$157,000 recognised in the profit and loss of the Group as a result of the acquisition of the 20,566,000 DCL Shares.

Effect on EPS

	Financial Year ended 31 December 2012	After the Initial Acquisition and Subsequent Acquisitions
Consolidated Earnings (S\$'000)⁽¹⁾⁽²⁾	(8,877)	(9,027)
Weighted Average No. of Shares (Diluted)	98,673,171	98,673,171
EPS (Diluted) (S\$)	(0.09)	(0.09)

Notes:

- (1) Loss after taxation and minority interests.
- (2) For the purpose of computing the financial effects on EPS above, the relevant figures of DCL have been translated from US\$ to S\$ at the exchange rate of US\$1:S\$1.2481, being the average exchange rate for the financial year ended 31 December 2012 extracted from published information by DBS Bank Ltd..

Effect on NAV per Share

	As at 31 December 2012	After the Initial Acquisition and Subsequent Acquisitions
NAV (S\$'000)⁽¹⁾	59,992	59,473
No. of issued Shares	98,725,879	98,725,879
NAV per Share (S\$)	0.61	0.60

Note:

- (1) For the purpose of computing the financial effects on NAV above, the relevant figures of DCL have been translated from US\$ to S\$ at the exchange rate of US\$1:S\$1.2233, being the exchange rate as at 31 December 2012 extracted from published information by DBS Bank Ltd..

Effect on NTA per Share

	As at 31 December 2012	After the Initial Acquisition and Subsequent Acquisitions
NTA (S\$'000)⁽¹⁾	59,992	59,454
No. of issued Shares	98,725,879	98,725,879
NTA per Share (S\$)	0.61	0.60

Note:

- (1) For the purpose of computing the financial effects on NTA above, the relevant figures of DCL have been translated from US\$ to S\$ at the exchange rate of US\$1:S\$1.2233, being the exchange rate as at 31 December 2012 extracted from published information by DBS Bank Ltd..

6. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the acquisition of the 20,566,000 DCL Shares, the Company and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this Announcement misleading.

Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

BY ORDER OF THE BOARD

Foo Der Rong
Managing Director and Chief Executive Officer
11 July 2013