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

1. INTRODUCTION

1.1 **Mandatory Offer**. The Board of Directors of Intraco Limited (the "**Company**" or "**Intraco**" and together with its subsidiaries, "**Intraco Group**") refers to the offer announcement (the "**Offer Announcement**") released today in relation to the mandatory conditional cash offer (the "**Offer**") by CIMB Bank Berhad, Singapore Branch ("**CIMB**"), for and on behalf of the Company, to acquire all the issued ordinary shares ("**DCL Shares**") of Dynamic Colours Limited ("**DCL**") other than those already owned, controlled or agreed to be acquired by the Company (the "**Offer Shares**"). For the avoidance of doubt, the Offer Shares excludes the 62,800,000 DCL Shares comprising the Existing Interest (as defined in section 1.3 below) and the 20,100,000 DCL Shares which are the subject of the Acquisition (as defined in section 1.2 below). A copy of the Offer Announcement is attached as an Appendix to this Announcement.

1.2 **Acquisition**. On 3 May 2013, the Company acquired 20,100,000 DCL Shares (the "**Acquisition Shares**"), representing approximately 9.57 per cent. of the total number of issued DCL Shares[1], through on-market transactions entered into with two existing shareholders of DCL who are unrelated to the Company (the "**Acquisition**"). Such DCL Shares were acquired for an aggregate consideration of S$3,718,500 (the "**Acquisition Consideration**"), at a purchase price of S$0.185 per Acquisition Share.

1.3 **Mandatory Offer**. As of 2 May 2013, the Company owns a total of 62,800,000 DCL Shares (the "**Existing Interest**"), representing approximately 29.91 per cent. of the total number of issued DCL Shares. As a result of the Acquisition, the Company will have, together with its Existing Interest, acquired a total of 82,900,000 DCL Shares (representing approximately 39.48 per cent. of the total number of issued DCL Shares) and therefore, the Company is required to make the Offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

[1] In this Announcement, the total number of issued DCL Shares is 209,971,310 based on the business profile of DCL extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the date of this Announcement.

1.4 **Financial Adviser**. The Company has appointed CIMB as its financial adviser in respect of the Offer.

2. THE OFFER

2.1 **Offer Terms**. The Company will make the Offer subject to and upon the following principal terms and conditions:

2.1.1 The Offer will be made for the Offer Shares in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, Rule 14 of the Code and subject to the terms and conditions set out in the Offer Document to be issued by CIMB, for and on behalf of the Company, in connection with the Offer.

2.1.2 The Offer, when made, will be on the following basis:

For each Offer Share: S$0.185 in cash (the "Offer Price").

2.1.3 Save in relation to the final tax exempt (one-tier) dividend of 1.50 Singapore cents per DCL Share approved by the shareholders of DCL on 23 April 2013, the Offer Shares are to be acquired (a) fully-paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions (if any) which may be announced, declared, paid or made thereon by DCL on or after the date of the Offer Announcement together with all interest accrued thereon). **Save in relation to the final tax exempt (one-tier) dividend of 1.50 Singapore cents per DCL Share approved by the shareholders of DCL on 23 April 2013, if any dividend, other distribution or return of capital is declared, made or paid on or after the date of the Offer Announcement by DCL, the Company reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital**.

2.1.4 The Offer will be extended, on the same terms and conditions, to all new DCL Shares unconditionally issued or to be issued pursuant to the valid exercise (if any) prior to the close of the Offer of any options (each, an "**Option**") to subscribe for new DCL Shares granted under the Dynamic Colours Employee Share Option Scheme (the "**Option Scheme**"). For the purpose of the Offer, the expression "Offer Shares" shall include such new DCL Shares. As at the date of the Offer Announcement, based on the latest information available to the Company[2], there are no Options granted under the Option Scheme. Save as disclosed, the Company is not aware of any other outstanding convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in DCL.

[2] Based on the annual report of DCL for the financial year ended 31 December 2012.

2.1.5 The Offer will also be extended, on the same terms and conditions, to all the issued DCL Shares owned, controlled or agreed to be acquired by parties acting in concert with the Company in connection with the Offer.

2.2 **Conditional Offer**. The Offer, when made, will be conditional upon the Company having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares, which when taken together with the DCL Shares owned, controlled or agreed to be acquired by the Company and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Company and the parties acting in concert with it holding such number of DCL Shares carrying more than 50 per cent. of the voting rights attributable to the issued DCL Shares (excluding any DCL Shares held in treasury) as at the close of the Offer (including any voting rights attributable to the DCL Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Company has received valid acceptances in respect of such number of Offer Shares which, when taken together with the DCL Shares owned, controlled or agreed to be acquired by the Company and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Company and the parties acting in concert with it holding such number of DCL Shares carrying more than 50 per cent. of the voting rights attributable to the maximum potential issued share capital of DCL. For this purpose, the "**maximum potential issued share capital of DCL**" means the total number of DCL Shares which would be in issue had all the outstanding Options which are exercisable prior to the close of the Offer (if any) been validly exercised as of the date of such declaration, excluding any DCL Shares held in treasury.

The Offer will be unconditional in all other respects.

3. INFORMATION ON DCL

Based on the business profile of DCL extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the date of this Announcement and public information found on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), DCL was incorporated in Singapore on 2 July 1993 and was listed on the Mainboard of the SGX-ST on 23 November 2007. As at the date of this Announcement, DCL has an issued and paid-up capital of approximately S$31,306,638.73 comprising 209,971,310 issued DCL Shares.

Based on the annual report of DCL for the financial year ended 31 December 2012, DCL is principally engaged in the business of colour compounding and modified compounding of resins, which are used in the manufacture of external casings or component parts of electrical appliances and electronic devices.

4. RATIONALE FOR THE ACQUISITION AND THE OFFER

The Company has undertaken the Acquisition in order to increase its stake in DCL as part of its strategic investment. As set out in section 1.3 above, the Company is making the Offer in compliance with the requirements of the Code. Further details on the rationale for the Acquisition and the Offer will be provided in the circular to be issued by the Company to its shareholders as referred to in Section 8 below.

5. AGGREGATE CONSIDERATION FOR THE ACQUISITION AND THE OFFER

5.1 **Aggregate Consideration.** Based on the Offer Price and the assumptions set out below in relation to the Offer, the maximum consideration payable by the Company for the Offer Shares under the Offer is approximately S$23.51 million ("**Offer Consideration**"):

(a) no new Options are granted prior to the close of the Offer;

(b) no new DCL Shares are issued by DCL prior to the close of the Offer; and

(c) the Company receives, by the close of the Offer, valid acceptances for all of the Offer Shares.

The aggregate consideration for the Offer and the Acquisition (being the aggregate of the Offer Consideration and the Acquisition Consideration) is approximately S$27.23 million (the "**Aggregate Consideration**").

5.2 **Basis for arriving at the Acquisition Consideration and the Offer Consideration.** The Acquisition Consideration was determined based on arm's length negotiations between the Company and the respective vendors of the Acquisition Shares. As the Offer Price cannot be lower than, *inter alia*, the highest price paid by the Company and the parties acting in concert with it for DCL Shares within 6 months of the Offer, the Offer Price was pegged to the purchase price per Acquisition Share. The Offer Price represents[3]:

(i) a premium of approximately 20.1% over the last transacted price of S$0.154 per DCL Share on 2 May 2013 (being the last market day on which DCL Shares were traded prior to the date of this Announcement (the "**Last Traded Day**"));

(ii) a premium of approximately 19.6% over the volume weighted average transacted price ("**VWAP**") of S$0.155 per DCL Share for the one-month period prior to and up to the Last Traded Day;

(iii) a premium of approximately 29.3% over the VWAP of S$0.143 per DCL Share for the

[3] The historical market prices are rounded to the nearest three (3) decimal places. The historical market prices and the corresponding premia are computed based on data extracted from Bloomberg L.P. (such data excluding off-market transactions).

three-month period prior to and up to the Last Traded Day;

(iv) a premium of approximately 30.7% over the VWAP of S$0.142 per DCL Share for the six-month period prior to and up to the Last Traded Day; and

(v) a premium of approximately 32.3% over the VWAP of S$0.140 per DCL Share for the one-year period prior to and up to the Last Traded Day.

5.3 **Funding for the Acquisition and the Offer.** The Acquisition was funded by way of internal cash resources of the Company. The acquisition of the Offer Shares will be funded by way of internal cash resources of the Company. CIMB, as the Financial Adviser to the Company in connection with the Offer, has confirmed that sufficient financial resources are available to the Company to satisfy the full acceptance of the Offer.

5.4 **Value of DCL Shares.** Based on the latest audited results of DCL for the financial year ended 31 December 2012, the net asset value ("**NAV**") per DCL Share is US$0.153 and the net tangible asset ("**NTA**") per DCL Share is US$0.153. The last transacted price of DCL Shares on the SGX-ST on 2 May 2013 (being the Last Traded Day) was S$0.154 per DCL Share.

5.5 **Net Profits of DCL.** Based on the latest audited results of DCL for the financial year ended 31 December 2012, the earnings per DCL Share is US$0.0108 while the profit before income tax, minority interests and extraordinary items attributable to the Acquisition Shares and the Offer Shares (assuming full acceptances under the Offer) is US$2.20 million.

6. CHAPTER 10 OF THE LISTING MANUAL

6.1 **Major Transaction.** Rule 1014 of the Listing Manual provides that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual ("**Rule 1006**") exceeds 20 per cent., the transaction is classified as a major transaction and requires the approval of shareholders of the Company ("**Shareholders**") under Rule 1014 of the Listing Manual.

6.2 **Relative Figures for the Offer.** For the purposes of determining the relative figures as computed on the bases set out in Rule 1006, the Acquisition and the Offer are aggregated and treated as if they were one transaction. Assuming that the Company acquires all the Offer Shares, and on the aforesaid basis that the acquisition of the Offer Shares is aggregated with the acquisition of the Acquisition Shares, the relative figures for the Acquisition and the Offer computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Rule 1006	Bases	Percentage (%)
(a)	NAV of the Offer Shares and the Acquisition Shares to be disposed of, compared with the consolidated NAV of the Intraco Group	Not applicable for acquisitions

(b)	Net profits attributable to the Offer Shares and the Acquisition Shares to be acquired compared with the net profits of the Intraco Group[(1)]	Not meaningful[(2)]
(c)	Aggregate amount of consideration payable for the Offer Shares and the Acquisition Shares to be acquired[(3)] compared with the market capitalisation of the Company[(4)]	51.17
(d)	Number of ordinary shares in the Company ("**Intraco Shares**") to be issued compared with the number of Intraco Shares previously in issue	Not applicable as no Intraco 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 Intraco recorded a consolidated net loss of approximately S$8.92 million, while the consolidated net profits attributable to the Acquisition Shares and the Offer Shares is approximately US$2.20 million, based on the latest announced consolidated financial statements of Intraco and DCL for the financial year ended 31 December 2012, respectively.

(3) Based on the Aggregate Consideration (which is the aggregate of the Acquisition Consideration and the Offer Consideration).

(4) The market capitalisation of the Company is calculated on the basis of 98,725,879 Intraco Shares in issue as at the date of this Announcement and 1-day VWAP of S$0.539 for each Intraco Share on 26 April 2013, being the last market day on which Intraco Shares were trade immediately before the date of this Announcement.

As the relative figure computed on the basis set out in Rule 1006(c) exceed 20 per cent., the Acquisition and the Offer, if made, would constitute a major transaction under Chapter 10 of the Listing Manual and is therefore subject to the approval of the Shareholders at a general meeting of the Shareholders (or any adjournment thereof) (the "**EGM**"), unless waived or exempted by the SGX-ST.

7. WAIVER APPLICATION

7.1 **Application.** The Company made an application to the SGX-ST to seek a waiver (the "**Waiver**") of the requirement to convene an EGM to seek Shareholders' prior approval under Rule 1014(2) of the Listing Manual in connection with the Offer and sought the SGX-ST's approval for the Company to seek Shareholders' ratification of the Offer at an EGM after the Offer has been made.

7.2 **Reasons for the Waiver application.** If the Company had to first convene the EGM to seek Shareholders' approval before making the Offer, then the Company would have to announce a pre-conditional voluntary cash offer for DCL, with the sole pre-condition being the obtaining of Shareholders' approval before the making the Offer. In such a scenario, the offer timetable prescribed by the Code will be lengthened as the Company would need to convene the EGM, which would require a 14-day notice period, excluding the day on which

notice is served, under the Company's articles of association before the EGM can be held.

By allowing the Company to ratify the Offer after the Offer has been made, the Offer timetable will not be unduly lengthened and any risks that the Company may have to take in relation to the Offer being unsuccessful (because of a lengthened timeline) would be reduced or eliminated. The Company believes this would also be in the best interests of the Shareholders, as an unsuccessful Offer would mean that the costs incurred and the time spent by the Company in relation to the Offer would be wasted.

In addition, the outcome of the EGM is certain as TH Investments Pte Ltd ("**THI**") and Amtrek Investment Pte Ltd ("**AI**"), who together hold an aggregate of more than 50 per cent. of the voting shares in the Company and are not precluded from voting, have indicated that they will vote in favour of approving the making of the Offer by the Company, if the EGM is required. In this regard, THI and AI are also willing to give irrevocable undertakings to the Company not to dispose any Intraco Shares before the EGM and to vote in favour of all the resolutions relating to the Offer proposed to be passed at the EGM.

7.3 **SGX-ST Waiver.** The Company is pleased to announce that on 2 May 2013, the SGX-ST had approved the Company's application for the Waiver, subject to the following conditions:

(a) unanimous approval of the directors of the Company ("**Directors**") on the Offer;

(b) submission of a written undertaking from the Company that it will seek Shareholders' ratification of the Offer at an EGM as soon as practicable;

(c) submission of a written irrevocable undertaking by the major shareholders holding about 58.3% of the issued share capital of the Company to vote in favour of the resolution to ratify the Offer at the EGM to be convened;

(d) submission of a written irrevocable undertaking by the major shareholders holding about 58.3% of the issued share capital of the Company that they will not dispose their equity stake in the Company before and up to the date of the EGM;

(e) announcement via SGXNET of:-

(i) the waiver granted, the reasons for seeking the waiver and the conditions as required under Listing Rule 107;

(ii) full details of the Offer, including information required under Rule 1010 of the Listing Manual; and

(iii) unanimous approval of the Directors on the Offer; and

(f) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

7.4 **Unanimous Approval**. The Directors have unanimously approved the Acquisition and the Offer.

7.5 **Written Undertaking and Confirmation from the Company**. The Company has provided a written undertaking and confirmation dated 2 May 2013 pursuant to which the Company has undertaken to convene and hold the EGM as soon as practicable for the purposes of obtaining Shareholders' ratification of the Offer and confirmed, after having reviewed the advice of its legal counsel, that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company.

7.6 **Irrevocable Undertaking from THI and AI**. The Company has received irrevocable undertakings dated 2 May 2013 from THI and AI, pursuant to which THI and AI have each undertaken to:

(a) not to sell, transfer, or otherwise dispose of its interest in the Company before and up to the conclusion of the EGM (or where there is any adjournment thereof, the conclusion of the adjourned EGM); and

(b) to vote, and to procure that its representative or proxy votes (by poll or on a show of hands), in favour of all the resolutions relating to the Acquisition and the Offer proposed to be passed at the EGM.

8. CIRCULAR TO SHAREHOLDERS AND EGM

A circular to Shareholders containing, *inter alia*, further information on the Acquisition and the Offer and the notice to convene the EGM will be despatched by the Company to Shareholders in due course.

9. FINANCIAL EFFECTS OF THE ACQUISITION AND THE OFFER

For illustrative purposes only, a summary of the financial effects of the Acquisition and the Offer on the Intraco Group is set out below. The said financial effects do not represent a projection of the actual financial performance or position of the Intraco Group after the completion of the Acquisition and the close of the Offer.

The financial effects of the Acquisition and the Offer on the consolidated earnings per Intraco Share ("**EPS**") and consolidated NAV and NTA per Intraco Share, are set out below, and have been prepared using the respective audited consolidated financial statements of Intraco and DCL for the financial year ended 31 December 2012, and are based on the following key assumptions:

(a) the Company acquires all the Offer Shares and owns 100 per cent. of DCL;

(b) all of the Offer Shares were acquired at the Offer Price;

(c) the Offer and the Acquisition 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;

(d) the Offer and the Acquisition 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 Intraco Share;

(e) the financial effects computation below have taken into account estimated transaction costs of S$600,000;

(f) 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

(g) there is no impact on the profit and loss of the Intraco Group as a result of any goodwill arising from the Offer and the Acquisition.

Effect on EPS

	Financial Year ended 31 December 2012	**After the Offer**
Consolidated Earnings (S$'000)[(1)(2)]	(8,877)	(7,511)
Weighted Average No. of Intraco Shares (Diluted)	98,673,171	98,673,171
EPS (Diluted) (S$)	(0.09)	(0.08)

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 Intraco Share

	As at 31 December 2012	**After the Offer**
NAV (S$'000)[(1)]	59,992	59,768
No. of issued Intraco Shares	98,725,879	98,725,879
NAV per Intraco Share (S$)	0.61	0.61

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 Intraco Share

	As at 31 December 2012	After the Offer
NTA (S$'000)[(1)]	59,992	59,722
No. of issued Intraco Shares	98,725,879	98,725,879
NTA per Intraco Share (S$)	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..

10. FURTHER INFORMATION RELATING TO THE OFFER

10.1 **Directors' Service Contracts**. No person is proposed to be appointed as a director of the Company in connection with the Offer. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10.2 **Interest of Directors and Substantial Shareholders**. Other than through their respective shareholdings in the Company, none of the Directors and/or Substantial Shareholders of the Company has any interest (direct and deemed) in DCL, the Acquisition and the Offer.

11. 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 and the Offer, 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
3 May 2013

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of DCL or the Company should not place undue reliance on such forward-looking statements, and neither the Company nor CIMB undertakes any obligation to update publicly or revise any forward-looking statements.

APPENDIX

MANDATORY CONDITIONAL CASH OFFER

by



CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

for and on behalf of

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

to acquire all the issued ordinary shares of

DYNAMIC COLOURS LIMITED
(Company Registration No.: 199304233Z)
(Incorporated in the Republic of Singapore)

(other than those already owned, controlled or agreed to be acquired by Intraco Limited)

1. INTRODUCTION

1.1 **The Offer**. CIMB Bank Berhad, Singapore Branch ("**CIMB**") wishes to announce, for and on behalf of Intraco Limited (the "**Offeror**"), that the Offeror intends to make a mandatory conditional cash offer (the "**Offer**") to acquire all the issued ordinary shares ("**DCL Shares**") of Dynamic Colours Limited ("**DCL**"), other than the DCL Shares already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"). For the avoidance of doubt, the Offer Shares excludes the 62,800,000 DCL Shares comprising the Existing Interest (as defined in section 1.3 below) and the 20,100,000 DCL Shares which are the subject of the Acquisition (as defined in section 1.2 below).

1.2 **Acquisition**. On 3 May 2013, the Offeror acquired 20,100,000 DCL Shares, representing approximately 9.57 per cent. of the total number of issued DCL Shares[1], through on-market

[1] In this Announcement, the total number of issued DCL Shares is 209,971,310 based on the business profile of DCL extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the date of this Announcement.

transactions entered into with two existing shareholders of DCL who are unrelated to the Offeror (the "**Acquisition**"). The highest price paid for the DCL Shares under the Acquisition was S$0.185 per DCL Share.

1.3 **Mandatory Offer**. As of 2 May 2013, the Offeror owns a total of 62,800,000 DCL Shares (the "**Existing Interest**"), representing approximately 29.91 per cent. of the total number of issued DCL Shares. As a result of the Acquisition, the Offeror will have, together with its Existing Interest, acquired a total of 82,900,000 DCL Shares (representing approximately 39.48 per cent. of the total number of issued DCL Shares) and therefore, the Offeror is required to make the Offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

2. THE OFFER

2.1 **Offer Terms**. The Offeror will make the Offer subject to and upon the following principal terms and conditions:

2.1.1 The Offer will be made for the Offer Shares in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, Rule 14 of the Code and subject to the terms and conditions set out in the Offer Document to be issued by CIMB, for and on behalf of the Offeror, in connection with the Offer.

2.1.2 The Offer, when made, will be on the following basis:

For each Offer Share: S$0.185 in cash (the "Offer Price").

2.1.3 Save in relation to the final tax exempt (one-tier) dividend of 1.50 Singapore cents per DCL Share approved by the shareholders of DCL on 23 April 2013, the Offer Shares are to be acquired (a) fully-paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions (if any) which may be announced, declared, paid or made thereon by DCL on or after the date of this Announcement together with all interest accrued thereon). **Save in relation to the final tax exempt (one-tier) dividend of 1.50 Singapore cents per DCL Share approved by the shareholders of DCL on 23 April 2013, if any dividend, other distribution or return of capital is declared, made or paid on or after the date of this Announcement by DCL, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital**.

2.1.4 The Offer will be extended, on the same terms and conditions, to all new DCL Shares unconditionally issued or to be issued pursuant to the valid exercise (if any) prior to the close of the Offer of any options (each, an "**Option**") to subscribe for new DCL Shares granted under the Dynamic Colours Employee Share Option Scheme (the

"**Option Scheme**"). For the purpose of the Offer, the expression "Offer Shares" shall include such new DCL Shares. As at the date of this Announcement, based on the latest information available to the Offeror[2], there are no Options granted under the Option Scheme. Save as disclosed, the Offeror is not aware of any other outstanding convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in DCL.

2.1.5 The Offer will also be extended, on the same terms and conditions, to all the issued DCL Shares owned, controlled or agreed to be acquired by parties acting in concert with the Offeror in connection with the Offer.

2.2 **Conditional Offer**. The Offer, when made, will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares, which when taken together with the DCL Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of DCL Shares carrying more than 50 per cent. of the voting rights attributable to the issued DCL Shares (excluding any DCL Shares held in treasury) as at the close of the Offer (including any voting rights attributable to the DCL Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the DCL Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting in concert with it holding such number of DCL Shares carrying more than 50 per cent. of the voting rights attributable to the maximum potential issued share capital of DCL. For this purpose, the "**maximum potential issued share capital of DCL**" means the total number of DCL Shares which would be in issue had all the outstanding Options which are exercisable prior to the close of the Offer (if any) been validly exercised as of the date of such declaration, excluding any DCL Shares held in treasury.

The Offer will be unconditional in all other respects.

4. BENCHMARKING THE OFFER[3]

The Offer Price represents:

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[2] Based on the annual report of DCL for the financial year ended 31 December 2012.

[3] The historical market prices are rounded to the nearest three (3) decimal places. The historical market prices and the corresponding premia are computed based on data extracted from Bloomberg L.P. (such data excluding off-market transactions).

(i) a premium of approximately 20.1% over the last transacted price of S$0.154 per DCL Share on 2 May 2013 (being the last market day on which DCL Shares were traded prior to the date of this Announcement (the "**Last Traded Day**"));

(ii) a premium of approximately 19.6% over the volume weighted average transacted price ("**VWAP**") of S$0.155 per DCL Share for the one-month period prior to and up to the Last Traded Day;

(iii) a premium of approximately 29.3% over the VWAP of S$0.143 per DCL Share for the three-month period prior to and up to the Last Traded Day;

(vi) a premium of approximately 30.7% over the VWAP of S$0.142 per DCL Share for the six-month period prior to and up to the Last Traded Day; and

(vii) a premium of approximately 32.3% over the VWAP of S$0.140 per DCL Share for the one-year period prior to and up to the Last Traded Day.

4. INFORMATION ON THE OFFEROR

The Offeror was incorporated in Singapore on 5 November 1968 and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 18 December 1972. As at the date of this Announcement, the Offeror has an issued and paid-up capital of approximately S$81,918,519.07 comprising 98,725,879 issued shares. The Offeror is a trading company focusing on two core business segments: Trading & Others and Projects. Its Trading & Others segment is involved in the trading of plastics, telecommunications infrastructure and others; while its Projects Segment specializes in lightings.

5. INFORMATION ON DCL

Based on the business profile of DCL extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the date of this Announcement and public information found on the website of the SGX-ST, DCL was incorporated in Singapore on 2 July 1993 and was listed on the Mainboard of the SGX-ST on 23 November 2007. As at the date of this Announcement, DCL has an issued and paid-up capital of approximately S$31,306,638.73 comprising 209,971,310 issued DCL Shares.

Based on the annual report of DCL for the financial year ended 31 December 2012, DCL is principally engaged in the business of colour compounding and modified compounding of resins, which are used in the manufacture of external casings or component parts of electrical appliances and electronic devices.

6. RATIONALE FOR THE OFFER

As set out in section 1.3 above, the Offeror is making the Offer in compliance with the requirements of the Code.

7. OFFER DOCUMENT

The Offer Document will be despatched to the DCL Shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement. **The Offeror intends to keep the Offer open for acceptances by DCL Shareholders for a period of at least 28 days from the date of posting of the Offer Document.**

8. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

8.1 **Holdings and Dealings in DCL Shares**. As at the date of this Announcement and to the best of the Offeror's knowledge, information and belief, details of the holdings and dealings of the Offeror and parties acting in concert with it in DCL Shares for the six-month period immediately preceding the date of this Announcement are set out in the Appendix to this Announcement.

8.2 **No Other Holdings and Dealings**. Save as disclosed in this Announcement and to the best of the Offeror's knowledge, information and belief, neither the Offeror nor any of the parties acting in concert with it (a) owns, controls or has agreed to acquire any DCL Shares or other securities which carry voting rights in DCL or convertible securities, warrants, options or derivatives in respect of DCL Shares or securities which carry voting rights in DCL (collectively, the "**Relevant Securities**") as at the date of this Announcement, or (b) has dealt for value in any Relevant Securities during the six-month period immediately preceding the date of this Announcement.

8.3 **No Irrevocable Undertakings**. As at the date of this Announcement and to the best of the Offeror's knowledge, information and belief, neither the Offeror nor any person acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Offer.

8.4 **Security and Other Arrangements**. Save as disclosed in this Announcement and to the best of the Offeror's knowledge, information and belief, neither the Offeror nor any person acting in concert with it has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or DCL Shares which may be material to the Offer; or has, in respect of any Relevant Securities, (i) granted any security interest in relation thereto to another person, whether through a charge, pledge or otherwise, (ii) borrowed any Relevant Securities from another person (excluding borrowed securities which have been on-lent or sold); or (iii) lent any Relevant Securities to another person.

8.5 **Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures on their shareholdings and dealings in the Relevant Securities will be made in the Offer Document.

9. CONFIRMATION OF FINANCIAL RESOURCES

CIMB confirms that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

10. OVERSEAS JURISDICTIONS

The availability of the Offer to the DCL Shareholders whose addresses are outside Singapore as shown in the register of members of DCL or, as the case may be, in the records of the Central Depository (Pte) Limited ("**Overseas DCL Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas DCL Shareholders should inform themselves about, and observe any applicable legal requirements. For the avoidance of doubt, the Offer will be made to all DCL Shareholders holding Offer Shares including those to whom the Offer Document and the relevant acceptance forms may not be sent. Further details in relation to Overseas DCL Shareholders will be contained in the Offer Document.

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any overseas jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by the Offer Document and the forms of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain overseas jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

11. RESPONSIBILITY STATEMENT

The directors of the Offeror 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 Offer, the Offeror and its subsidiaries, and the directors of the Offeror 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 Offeror 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.

Issued by
CIMB BANK BERHAD, SINGAPORE BRANCH

for and on behalf of
INTRACO LIMITED
3 May 2013

Any inquiries relating to this Announcement or the Offer should be directed during business office hours to the following persons:

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Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of DCL or the Offeror should not place undue reliance on such forward-looking statements, and neither the Offeror nor CIMB undertakes any obligation to update publicly or revise any forward-looking statements.

THE APPENDIX

DETAILS OF HOLDINGS AND DEALINGS

1. Holdings of DCL Shares

As at the date of this Announcement and to the best of the Offeror's knowledge, information and belief, details of the holdings of the Offeror and parties acting in concert with it in DCL Shares (inclusive of DCL Shares acquired pursuant to the Acquisition) are set out below:

	Number of DCL Shares					
	Direct Interest		Deemed Interest		Total Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Offeror	62,800,000	29.91	20,100,000[(1)]	9.57	82,900,000	39.48

Note:

(1) Held through custodians.

2. Dealings in DCL Shares

Save for the Acquisition, as at the date of this Announcement and to the best of the Offeror's knowledge, information and belief, none of the Offeror and parties acting in concert with it have dealt in DCL Shares for the six-month period immediately preceding the date of this Announcement.