INTRACO Limited
(Incorporated in the Republic of Singapore)
Company Registration Number 196800526Z

INTRACO moves to strengthen its business with strategic acquisition of Dynamic Colours

- ***By increasing its stake in Dynamic Colours through its mandatory conditional cash offer, it will be able to generate synergistic benefits***
- ***The two parties will be able to combine resources and better compete as a group for further growth***

SINGAPORE – 21 May 2013 – SGX Mainboard-listed **INTRACO Limited** (**"INTRACO"**, or the **"Group"**), a leading trading company established in 1968, has outlined its rationale and intention for its mandatory conditional cash offer for its listed associate Dynamic Colours Ltd ("**DCL**"), its first strategic investment since being led by a reconstituted Board of Directors and a new management team.

The Group had on 3 May 2013 announced a mandatory conditional cash offer for DCL (the "**Offer**") following the acquisition of 20.1 million DCL shares at S$0.185 each, which together with its existing stake of 29.9%, raised its combined shareholding in DCL to 39.48%.

The Group is now offering to acquire all the issued shares of DCL, other than those it already owns, at the same price of S$0.185 in cash per share and is conditional upon it receiving more than 50% of the issued shares as at the closing date.

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.

According to INTRACO, the acquisition and the Offer is an opportunity to acquire an increased stake in DCL as part of its strategic investments.

“We believe that there are synergistic benefits to be obtained by making DCL a subsidiary,” says Mr Foo Der Rong, Managing Director and CEO of INTRACO.

“For example, DCL will be able to market and offer the plastic resins distributed by INTRACO’s plastics division to its customers in Vietnam and Malaysia, while we will be able to market and offer the compounded resins that they produce to our customers generally,” Mr Foo explains.

“We will also be able to derive economies of scale by pooling our resources, including sharing some of our essential corporate services.”

“As INTRACO and DCL will be able to leverage on each other’s distribution network, there will be an added incentive and basis for both parties to work closer together to focus on each other’s respective key areas of strength and stream-line resources so as to better compete in the market segments we operate in. More importantly, it will also position the two companies as a group for further growth.”

It is envisaged that DCL will continue to operate in its current form after the Offer as INTRACO presently has no intention to make changes to its management team. The Group intends to engage with the Board of Directors and management team of DCL to undertake a strategic and operational review of its business.

INTRACO presently also has no plans to make any material changes to DCL’s business, the deployment of its fixed assets and the employment of its employees, other than in the ordinary course of business. The Group’s present intention is to maintain DCL’s listing status.

At S$0.185 in cash per share, the Offer price represents a premium of approximately 20.1% over the last transacted price of S$0.154 for each DCL share on 2 May 2013 ("**Last Traded Day**"); 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; 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; 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 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.

INTRACO is funding the acquisition of DCL shares and the Offer from its internal cash resources. CIMB Bank Berhad, Singapore Branch, the financial adviser for the Offer, has confirmed that sufficient financial resources are available to satisfy full acceptance of the Offer.

Mr Foo added, "With a reconstituted Board and a new management team onboard, it is an opportune time for the Group to revitalise and strengthen our business in order to drive greater growth and build a stronger future. The acquisition of DCL will mark an important start in this direction to bring a renewed focus to our business. We will be exploring further opportunities for strategic alliances, joint ventures and acquisitions with partners and businesses that share the same synergies as ourselves."

On 16 May 2013, the Group announced it had entered into a non-binding Heads of Agreement with Tat Hong Holdings Ltd and Mr Aung Moe Kyaw to establish a joint venture company to carry out the business of rental of cranes and distribution of cranes and excavators in Myanmar.

This Press Release should be read in conjunction with the full text of the Offer Document. *The Group's Directors (including any who may have delegated detailed supervision of this Press Release) have taken all reasonable care to ensure that the facts stated and all opinions*

expressed in this Press Release are fair and accurate and that no material facts have been omitted from this Press Release, and jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information relating to DCL), the sole responsibility of the Group's Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Press Release.

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About INTRACO Limited—(www.intraco.com)

Incorporated on 5 November 1968, INTRACO's original mission was to source competitively priced raw materials, commodities and manufactured goods to support Singapore's early industrialisation programme, which included the creation of new export markets for locally manufactured products, and the promotion of external trade.

INTRACO was successfully listed on the Singapore Exchange in December 1972. Over the years, the Group has evolved to meet the demands of the global marketplace by tranforming into a leading trading company through global partnerships focusing on two main sectors, namely trading & others, and projects.

Today, INTRACO's integrated global market network spans across ASEAN and China. While each serves as a strong platform for INTRACO's business, they also act as the Group's launch pads for companies seeking regional expansion. This is further bolstered by INTRACO's established international network of partnerships and alliances.

About Dynamic Colours Limited
(http://en.dynamiccolours.com/newEbiz1/EbizPortalFG/portal/html/index.html)

Established in 1993, Dynamic Colours Limited 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.

The DCL Group supplies its resin compounding products to plastic injection moulders ("PIMs") and original equipment manufacturers ("OEMs") who in turn serve customers such as Hewlett-Packard, Toshiba, Dell, BenQ, Avision, Sony, Microsoft and Asus. Its production facilities in Suzhou are amongst the largest in Jiangsu Province, PRC, and are strategically located near existing and potential clients. The DCL Group's other production facilities are located in Malaysia and Vietnam.

In Singapore, Dynamic Colours' production facilities manufacture heavy-duty polyethylene bags and other plastic packaging materials. Presently, the DCL Group serves mainly the petrochemical hub on Jurong Island and count amongst its customers leading companies such as ExxonMobil, Chevron Phillips and The Polyolefin Company (Singapore) Pte Ltd.

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