

DYNAMIC COLOURS LIMITED

(Company Registration Number 199304233Z)

(Incorporated In the Republic of Singapore)

CESSATION OF BUSINESS OPERATIONS OF DCQ PLASTIC INDUSTRY CO., LTD.

The Board of Directors of Dynamic Colours Limited (the "Company") wishes to announce that the business operations of its subsidiary, DCQ Plastic Industry Co., Ltd. ("DCQ") has ceased in July 2015.

DCQ is a joint venture company set up in November 2012 where 80% of shareholding is held by the Company and the balance is held by Mr Qian Jian Quan (the "JV"), for the purpose of expansion into injection moulding business (the "IM business") in Vietnam.

Rationale for the Cessation of Business Operation of DCQ

The IM business in Vietnam continues to decline in profitability for the past 2 years. The segment recorded a marginal loss in 1H2015. This business is expected to continue to be volatile and challenging in the foreseeable future.

After taking into consideration the above factors, the JV partners have mutually agreed to cease the business operations of DCQ and proceed with a voluntary winding up of DCQ.

The Board will make appropriate announcements at the relevant time on the voluntary winding up of DCQ.

Computation of Rule 1006 of SGX-ST Listing Manual

The relative figures computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:-

	Basis	Relative Figure
Rule 1006(a)	Net asset value of assets to be disposed of, compared with the group's net asset value	2.08%
Rule 1006(b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	2.10%
Rule 1006(c)	Aggregate value of consideration given or received, compared with the issuer's market capitalisation (as at 6 August 2015)	0.86%

No director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests.

Each of the relative figures computed under 1006 is less than 5% of the relevant base figure and thus, the cessation is considered a non-discloseable transaction within the meaning of Chapter 10 of the SGX-ST Listing Manual.

On behalf of the Board

Yeo Hock Leng

Executive Chairman and Group Managing Director

12 August 2015