



INTRACO Limited

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INTRACO EMBARKS ON DIVESTMENT OF ITS STAKE IN DYNAMIC COLOURS

- *In line with Intraco's strategy to streamline its investment portfolio and enhance shareholder value*
- *Disposal of its aggregate 41.27% ownership interest in Dynamic Colours for a total cash consideration of approximately S\$19.5 million*
- *Disposal results in a stronger cash position, increased optionality and improved financial flexibility, which allows Intraco to be better positioned to source for acquisitions and invest in growing its existing businesses*

SINGAPORE, 1 June 2020 – SGX Mainboard-listed investment holding company, Intraco Limited ("**Intraco**" or the "**Company**" and together with its subsidiaries, the "**Group**"), today announced that the Company has undertaken to accept the voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**DCL Shares**") in the capital of Dynamic Colours Limited ("**DCL**") in respect of the DCL Shares which it owns (the "**Disposal**").

As at the date of this Announcement, the Company holds (directly and indirectly) 86,645,000 DCL Shares or a 41.27% stake in DCL. The Offer is made with an offer price of S\$0.225 per DCL Share and the Company will be entitled to receive an aggregate of approximately S\$19.5 million in cash for its acceptance of the Offer in respect of its DCL Shares. The offer price represents a premium of over 13.6% over DCL's last traded price of S\$0.198.

The Disposal is in line with the Company's investment objectives to acquire and divest businesses to maximise shareholder value. The Group is constantly reviewing its investment portfolio and the contributions and long-term fit of each business division.

Mr Nicholas Yoong, Chief Executive Officer of Intraco, said: “Following the Disposal, the Group will continue to leverage on this opportune time to explore new investments with a view of expanding the Group’s presence in existing markets or venturing into new high growth areas. The COVID-19 pandemic will inevitably change the operating model of many businesses and the business environment we operate in. Thus, whilst important, the acquisition of any new investments shall be undertaken with a prudent approach, taking into consideration market conditions and the new economic landscape post-COVID-19. Backed by our stronger financial resources and flexibility resulting from the Disposal, we will also use some of these resources to maximise the potential of our existing businesses, especially our core plastics trading and provision of fire protection services.”

Mr Colin Low, Chairman and Independent Director of Intraco, said, “As an investment holding company, our long-term priority is to realign our portfolio, when possible, to reap long-term value for our shareholders. We have been seeking to fine-tune the Company’s investment portfolio and this divestment is in line with the Company’s strategy to develop more synergistic businesses over time. We are positive that our journey to identify earnings accretive investments will reshape Intraco’s portfolio and ultimately deliver sustainable growth.”

The Disposal is subject to shareholders’ ratification at an extraordinary general meeting to be held by the Company. A circular will be sent to shareholders and further details will be announced on SGXNet, when available.

About Intraco

Intraco was founded in 1968 by the Singapore Government and was the country's trading arm to explore overseas markets and identify new sources of raw materials. It played a key role in the growth of Singapore as a young nation, which then had to rely on an export-oriented industrialisation strategy.

Intraco has been listed on the Singapore Exchange since 1972 and for three decades from 1974 to 2003, Intraco was incorporated as part of the investment portfolio of Temasek Holdings, the state investment arm. Today, Intraco has evolved into a reputable investment holding company, with an experienced board and substantial major shareholders.

The Group invests in five lines of businesses with presence in the key emerging markets of Southeast Asia and China, in addition to its home base in Singapore.

Intraco, through its subsidiaries, associate and joint venture, is mainly engaged in: the trading of plastic resins; provision of passive fire protection services; manufacturing of heavy-duty polyethylene packaging materials and colour & modified resins compounds; provision of mobile radio infrastructure management services; and the provision of crane rental services.

Intraco actively partners its portfolio companies by providing both financial and operational expertise and helping these companies chart their strategic direction and growth initiatives. Intraco's strong regional network and culture of integrity, professionalism and performance have helped ensured an enduring brand reputation over the years.

For more information, please visit www.intraco.com.sg

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