

CIRCULAR DATED 15 AUGUST 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in INTRACO Limited (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



INTRACO LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED ACQUISITION OF A 70% STAKE IN: (I) K.A. BUILDING CONSTRUCTION PTE LTD; (II) FIRESPRAY INTERNATIONAL (SINGAPORE) PTE LTD; (III) K.A. FIREPROOFING PTE LTD; (IV) K.A. FABRIC SHUTTERS PTE LTD; AND (V) K.A. FIRESPRAY SDN BHD, AND THE GRANT OF A PUT OPTION AND CALL OPTION IN RESPECT OF THE REMAINING 30% STAKE; AND**

- (B) AUTHORITY TO EXERCISE THE CALL OPTION GRANTED TO THE COMPANY IN RESPECT OF THE REMAINING 30% STAKE**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	31 August 2014 at 10 a.m.
Date and time of Extraordinary General Meeting	:	2 September 2014 at 10 a.m.
Venue of Extraordinary General Meeting	:	The Chevrons, Violet Room, Level 3 48 Boon Lay Way, Singapore 609961

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

“%” or “per cent.”	: Percentage or per centum
“2013 PAT”	: Has the meaning ascribed to it in Section 3.1 of this Circular
“Accountants”	: The reporting accountants appointed at the sole discretion of the Purchaser
“Board”	: The board of Directors
“Business Day”	: A day on which commercial banks in Singapore are generally open for business, but shall exclude Saturdays, Sundays and gazetted public holidays, and “ Business Days ” shall be construed accordingly
“Call Option”	: The right of the Purchaser to require the Vendors to sell, or (in the case of KAFSB) procure the sale to the Purchaser of, the Option Shares subject to the conditions of and on the terms of the Share Purchase Agreement
“Catalist”	: The Catalist Board of the SGX-ST
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular dated 15 August 2014
“Companies Act”	: The Companies Act, Chapter 50 of Singapore
“Company” or “INTRACO”	: INTRACO Limited
“Completion Date”	: The date on which Completion takes place
“Completion”	: The performance by each of the Purchaser and the Vendors of their obligations under Clause 7 and Schedule 3 of the Share Purchase Agreement
“Consideration Shares”	: The 5,000,000 new ordinary shares in the capital of the Company to be issued to the Vendors at an issue price of Singapore Cents Sixty-Three (S\$0.63) per Consideration Share in satisfaction of the first S\$3.15 million of the aggregate Consideration, and “ Consideration Share ” shall be construed accordingly
“Consideration”	: Has the meaning ascribed to it in Section 3.1 of this Circular
“Deadlock Event”	: Has the meaning ascribed to it in Section 3.9 of this Circular, and “ Deadlock Events ” shall be construed accordingly
“Defaulting Party”	: Has the meaning ascribed to it in Section 3.11(a) of this Circular
“Director”	: A person holding office as a director of the Company as at the Latest Practicable Date, and “ Directors ” shall be construed accordingly

“Drag-Along Right”	:	Has the meaning ascribed to it in Section 3.10 of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held at The Chevrons, Violet Room, Level 3, 48 Boon Lay Way, Singapore 609961 on 2 September 2014 at 10 a.m., notice of which is set out on pages 29 to 30 of this Circular
“Entry Price”	:	Has the meaning ascribed to it in Section 3.5 of this Circular
“EPS”	:	Earnings per share
“First Tranche Option Shares”	:	One-third of the Option Shares, which are the subject of the exercise of the Call Option or Put Option in the period commencing on and from the date falling immediately after the expiry of four (4) years from the Completion Date
“FY”	:	The financial year ended or ending 31 December (as the case may be)
“FY2013 Proforma Accounts”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“Group”	:	The Company and its subsidiaries
“KA Group Holdco”	:	A Singapore company to be incorporated as the holding company of the KA Group (other than KAFSB) pursuant to the Restructuring
“KA Group Shares”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“KA Group” or “KA Group Companies”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“KAFSB”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Latest NTA”	:	Has the meaning ascribed to it in Section 3.5 of this Circular
“Latest Practicable Date”	:	8 August 2014, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Material Adverse Effect”	:	Has the meaning ascribed to it in the Share Purchase Agreement
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“NAV”	:	Net asset value
“Nominee Undertaking”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Non-Defaulting Party”	:	Has the meaning ascribed to it in Section 3.11 of this Circular
“Notice of EGM”	:	The notice of EGM as set out on pages 29 to 30 of this Circular
“NTA”	:	Net tangible asset value
“Option Shares”	:	Has the meaning ascribed to it in Section 3.5 of this Circular
“Ordinary Resolutions”	:	The ordinary resolutions as set out in the Notice of EGM

“Proposed Acquisition”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM
“Purchaser”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Put and Call Options”	:	The Put Option and the Call Option
“Put Option”	:	The right of the Vendors to require the Purchaser to purchase the Option Shares subject to the conditions of and on the terms of the Share Purchase Agreement
“Restructuring”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“RNTA”	:	Has the meaning ascribed to it in Section 3.5 of this Circular
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“SGXNET”	:	SGX-ST’s website at www.sgx.com
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Agreement Announcement”	:	The announcement of the Company’s entry into the Share Purchase Agreement released on SGXNET on 4 July 2014
“Share Purchase Agreement”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Shareholders”	:	The holders of issued Shares, including Depositors whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST, and “Shareholder” shall be construed accordingly
“Shares”	:	The issued and paid-up ordinary shares in the capital of the Company
“Substantial Shareholders”	:	Has the meaning ascribed to it in the Listing Manual
“Tag-Along Right”	:	Has the meaning ascribed to it in Section 3.10 of this Circular
“Term Sheet Announcement”	:	The announcement of the Company’s entry into the Term Sheet released on SGXNET on 8 May 2014
“Term Sheet”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Termination Events”	:	Has the meaning ascribed to it in Section 3.11 of this Circular, and “Termination Event” shall be construed accordingly
“Valuer”	:	Has the meaning ascribed to it in Section 3.5 of this Circular
“Vendor Service Contracts”	:	Has the meaning ascribed to it in Section 3.3(h) of this Circular
“Vendors”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“VWAP”	:	The volume weighted average price
“Wholly-Owned Nominee”	:	Has the meaning ascribed to it in Section 1.1 of this Circular

Announcements and Notices. References to the making of an announcement or the giving of notice by the Company shall include the release of a duly authorised announcement for and on behalf of the Company to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

Depositors, Depository Agent and Depository Register. The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meaning ascribed to it in Section 130A of the Companies Act.

Genders. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to the Shareholders (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST).

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to that word under the Companies Act, the Listing Manual or that modification, as the case may be, unless the context otherwise requires or unless specifically defined therein.

Time and Date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise specified.

LETTER TO SHAREHOLDERS

INTRACO LIMITED

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

Directors:

Dr. Tan Ng Chee (Chairman and Lead Independent Director)
Mr. Colin Low (Deputy Chairman and Independent Director)
Mr. Foo Der Rong (Managing Director and Chief Executive Officer)
Dr. Tan Boon Wan (Independent Director)
Mr. Shabbir Hakimuddin Hassanbhai (Independent Director)
Mr. Wong Meng Choong (Non-Executive Director)
Mr. Ng How Kiat Charlie (Non-Executive Director)
Mr. Ng San Tiong (Alternate Director to Mr. Wong Meng Choong)
Mr. Chew Leong Chee (Alternate Director to Mr. Ng How Kiat Charlie)

Registered Office:

8 Jurong Town Hall Road
#12-01 The JTC Summit
Singapore 609434

15 August 2014

To: **The Shareholders of INTRACO Limited**

Dear Sir/Madam

- (A) **THE PROPOSED ACQUISITION OF A 70% STAKE IN: (I) K.A. BUILDING CONSTRUCTION PTE LTD; (II) FIRESPRAY INTERNATIONAL (SINGAPORE) PTE LTD; (III) K.A. FIREPROOFING PTE LTD; (IV) K.A. FABRIC SHUTTERS PTE LTD; AND (V) K.A. FIRESPRAY SDN BHD, AND THE GRANT OF A PUT OPTION AND CALL OPTION IN RESPECT OF THE REMAINING 30% STAKE; AND**
- (B) **AUTHORITY TO EXERCISE THE CALL OPTION GRANTED TO THE COMPANY IN RESPECT OF THE REMAINING 30% STAKE**

1. INTRODUCTION

1.1. Proposed Acquisition

On 8 May 2014, the Company announced that it had entered into a term sheet dated 8 May 2014 (the "**Term Sheet**") with Mr. Soh Yong Poon and Ms. Soh Ying Sin (collectively, the "**Vendors**") in relation to the proposed acquisition (the "**Proposed Acquisition**") by the Company from the Vendors of shares constituting 70% of the total issued share capital (the "**KA Group Shares**") in each of the following companies:

- (a) K.A. Building Construction Pte Ltd;
 - (b) Firespray International (Singapore) Pte Ltd;
 - (c) K.A. Fireproofing Pte Ltd;
 - (d) K.A. Fabric Shutters Pte Ltd; and
 - (e) K.A. Firespray Sdn Bhd ("**KAFSB**"),
- (collectively, the "**KA Group**" or the "**KA Group Companies**").

Following the signing of the Term Sheet and pursuant to further discussions and negotiations between the Company and the Vendors on the terms of the Proposed Acquisition, the Company entered into a conditional share purchase agreement on 4 July 2014 (the “**Share Purchase Agreement**”) with the Vendors and each of the KA Group Companies, pursuant to which the Company (or its wholly-owned subsidiary (the “**Wholly-Owned Nominee**”)) shall acquire the KA Group Shares. In the event the Company designates the Wholly-Owned Nominee to acquire the KA Group Shares, the Company shall also undertake, for as long as the Vendors are shareholders of any KA Group Company or the KA Group Holdco (as the case may be), to hold shares in the Wholly-Owned Nominee amounting to more than 50% of the total issued share capital of the Wholly-Owned Nominee (the “**Nominee Undertaking**”). The Company or (in the event the Company designates the Wholly-Owned Nominee to acquire the KA Group Shares) the Wholly-Owned Nominee shall hereinafter be referred to as the “**Purchaser**”.

The key terms of the Proposed Acquisition, including those in relation to the Put and Call Options, are as set out in Section 3 of this Circular.

1.2. Announcements

Copies of the Term Sheet Announcement and the Share Purchase Announcement are available on SGXNET.

1.3. Approval of Shareholders

As the Proposed Acquisition and the exercise of the Put and Call Options, when aggregated together, constitute a “**major transaction**” within the meaning of Chapter 10 of the Listing Manual, the Proposed Acquisition and the Put and Call Options must be made conditional upon the approval of the Shareholders in a general meeting.

1.4. EGM

This Circular is being issued to provide Shareholders with the relevant information and the underlying rationale relating to the Proposed Acquisition and to seek the Shareholders’ approval for the Proposed Acquisition and the Put and Call Options. In this regard, the Directors are convening the said EGM at The Chevrons, Violet Room, Level 3, 48 Boon Lay Way, Singapore 609961 on 2 September 2014 at 10 a.m..

Shareholders should note that Ordinary Resolution 2 in respect of the exercise of the Call Option is subject to and contingent upon the passing of Ordinary Resolution 1 in respect of the Proposed Acquisition, but not *vice versa*. Please refer to the Notice of EGM for more information.

2. INFORMATION ON THE VENDORS AND THE KA GROUP

The information in this section of this Circular was provided by the Vendors.

Mr. Soh Yong Poon is the father of Ms. Soh Ying Sin. The Vendors are the founders of the KA Group, and are not related (whether directly or indirectly) to the Company, its Directors and/or its Substantial Shareholders.

The KA Group is a one-stop fire protection solutions provider. The particulars of the KA Group Companies are set out as follows:

Name	Place of Incorporation	Type of Company	Principal Business Activities
K.A. Building Construction Pte Ltd	Singapore	Private company limited by shares	Fire proofing contracting works and manufacturing
Firespray International (Singapore) Pte Ltd	Singapore	Private company limited by shares	Fire proofing contracting works
K.A. Fireproofing Pte Ltd	Singapore	Private company limited by shares	Fire proofing contracting works and manufacturing
K.A. Fabric Shutters Pte Ltd	Singapore	Private company limited by shares	Installation of fire protection systems
K.A. Firespray Sdn Bhd	Malaysia	Private company limited by shares	Fire proofing contracting works

Based on the unaudited pro forma accounts prepared by the Vendors, the KA Group generated profit before income tax of approximately S\$3.9 million for FY2013. The profit before income tax attributable to the KA Group Shares is approximately S\$2.7 million.

As at 31 December 2013, the KA Group had a NAV and NTA of approximately S\$10.0 million. The consolidated book value and NTA attributable to the KA Group Shares is approximately S\$7.0 million. A summary of the unaudited pro forma consolidated financial position of the KA Group as at 31 December 2013 is as follows:

S\$'000	As at 31 December 2013
Assets	
Property, plant and equipment	3,403
Inventories	780
Trade receivables	1,215
Accrued income	1,436
Other current assets	871
Cash and bank balances	6,874
Total Assets	14,579
Liabilities	
Trade payables	959
Other payables and accruals	713
Client deposits	400
Provision for income tax	825
Deferred tax liability	65
Borrowings	1,639
Total Liabilities	4,601
Net Assets	9,978
Equity	
Share capital	1,010
Retained earnings	8,968
Total Equity	9,978

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION (INCLUDING THE PUT AND CALL OPTIONS)

3.1. Consideration

The aggregate consideration payable for the sale and purchase of the KA Group Shares (the “**Consideration**”) shall be the amount determined as follows:

70% x (2013 PAT x 7.2)

and provided always that:

- (a) in the event the 2013 PAT is more than S\$3,300,000, the 2013 PAT shall be deemed to be S\$3,300,000 for the purposes of determining the Consideration; and
- (b) in the event the 2013 PAT is less than S\$3,200,000, and such figure would be equal to or more than S\$3,200,000 but for such adjustments deemed necessary by the Accountants, the Vendors may elect not to proceed with the sale and purchase of the KA Group Shares,

where:

“**2013 PAT**” shall mean the net profit after tax of, *inter alia*, the KA Group for the 12-month period ended 31 December 2013 based on the FY2013 Proforma Accounts; and

“**FY2013 Proforma Accounts**” shall mean the proforma consolidated accounts of, *inter alia*, the KA Group for the 12-month period ended 31 December 2013, as if the KA Group Holdco has already been established to hold 100% of the total issued share capital of, *inter alia*, all the KA Group Companies, which shall be:

- (aa) prepared by the Vendors in accordance with the Singapore Financial Reporting Standards on the basis that the KA Group Holdco had acquired, *inter alia*, all the KA Group Shares with effect from 1 January 2013;
- (ba) adjusted to exclude non-recurring and extraordinary items, as well as write-backs arising from prior year adjustments as deemed necessary by the Vendors and pursuant to such adjustments as may be deemed necessary by the Vendors;
- (ca) adjusted pursuant to such further adjustments as may be deemed necessary by Accountants; and
- (da) certified by the Accountants.

In respect of (aa) above, the unaudited FY2013 Proforma Accounts are based on the audited financial statements of the KA Group Companies. Based on the indicative valuation of the KA Group of S\$23.8 million (based on the indicative 2013 PAT of the KA Group of S\$3.3 million derived from the unaudited pro forma accounts prepared by the Vendors), the aggregate Consideration payable for the sale and purchase of the KA Group Shares is expected to be S\$16.6 million. The expected aggregate Consideration of S\$16.6 million represents a premium of 66.7% over the NAV and NTA of the KA Group as at 31 December 2013.

The method for calculating the Consideration was determined after arm’s length negotiation between the Company and the Vendors, taking into account, *inter alia*, the price-earnings ratio of Catalyst-listed companies on listing and the business prospects of the KA Group. The Company was of the view that it was unnecessary to commission a valuation on the assets of the KA Group as the Consideration was determined based on the KA Group’s earnings, which the Company considers more appropriate for acquisitions of service / manufacturing companies whose income are not derived primarily from their assets.

The Consideration shall be paid on Completion as follows:

- (ab) the first S\$3.15 million shall be paid in the form of 5,000,000 Consideration Shares to be issued at an issue price of Singapore Cents Sixty-Three (S\$0.63) per Consideration Share to the Vendors (between them, in such proportion as the Vendors shall notify in writing not later than five (5) Business Days prior to Completion); and

(bb) the balance of the Consideration shall be paid in cash in S\$ to the Vendors (between them, in such proportion as the Vendors shall notify in writing not later than five (5) Business Days prior to Completion).

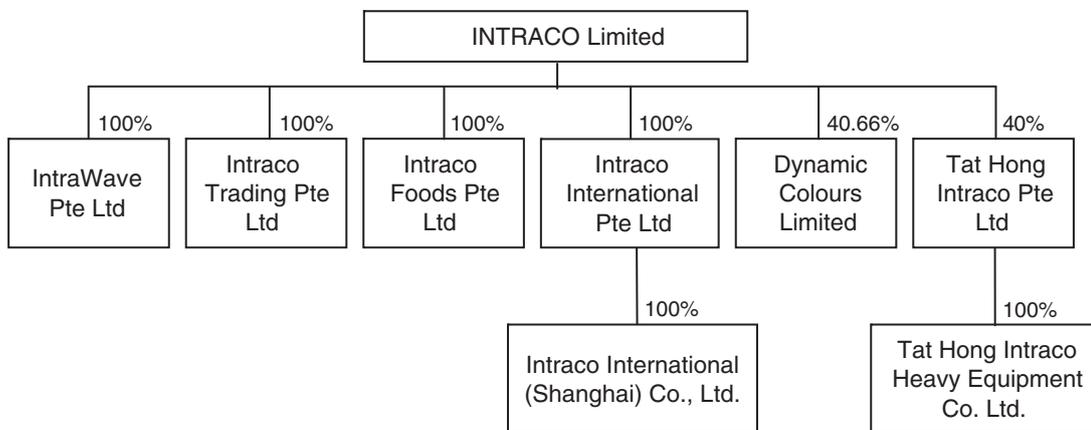
The 5,000,000 Consideration Shares represents 5.1% of the Company’s existing share capital, and 4.8% of the Company’s share capital on an enlarged basis.

3.2. Restructuring

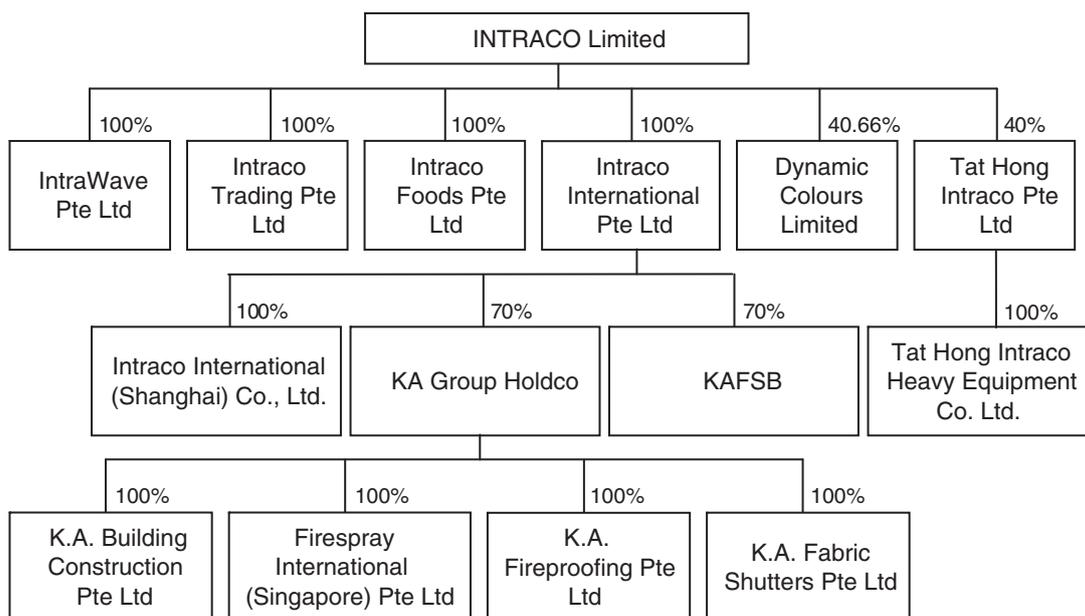
Following Completion, the KA Group Companies (other than KAFSB) shall be reorganised to be wholly-owned by the KA Group Holdco, with (a) the Purchaser owning 70%, and the Vendors owning the remaining 30%, of the total issued share capital of the KA Group Holdco; and (b) the Purchaser owning 70%, and a nominee of the Vendors owning the remaining 30%, of the total issued share capital of KAFSB (the “Restructuring”).

The corporate structure of the Group (excluding dormant companies) before the Proposed Acquisition and after the Proposed Acquisition and the Restructuring is as follows:

Before Proposed Acquisition



After Proposed Acquisition and Restructuring (assuming Intraco International Pte Ltd was designated as the Wholly-Owned Nominee)



3.3. Conditions Precedent

The obligation of the Purchaser with regard to Completion is conditional upon, *inter alia*, the satisfaction of the following conditions on or before three (3) months from the date of the Share Purchase Agreement, unless otherwise expressly waived in writing by the Purchaser:

- (a) all necessary regulatory and governmental consents and approvals, and all other necessary approvals, authorisations, clearances, consents and waivers having been obtained, it being acknowledged and agreed by the Vendors that they will comply and ensure that each KA Group Company complies with any condition imposed as part of such consent or approval, and that any such consent or approval and any conditions thereof shall form part of the Share Purchase Agreement;
- (b) approval of the Proposed Acquisition and the issue of the Consideration Shares by Shareholders having been obtained;
- (c) receipt by each KA Group Company of all applicable third party consents, approvals or waivers in connection with the Share Purchase Agreement, including in relation to the change of control of each KA Group Company;
- (d) completion of a business, environmental, financial, tax and legal due diligence, the results of which are to be to the satisfaction of the Purchaser in its absolute discretion, and the satisfactory completion and issuance of the FY2013 Proforma Accounts;
- (e) the in-principle approval of the SGX-ST for the additional listing of the Consideration Shares and such other approval, authorisation, clearance or waiver from the SGX-ST under Chapter 10 of the Listing Manual having been obtained, and no such approval, authorisation, clearance or waiver shall have been revoked, limited or impaired;
- (f) no event, occurrence, change, effect or condition of any character shall have occurred on or prior to Completion that, individually or in the aggregate, has had a Material Adverse Effect on the business, operations, assets, liabilities (including contingent liabilities) or financial condition of any KA Group Company and the KA Group as a whole;
- (g) the properties of the KA Group at 43 Tuas View Close, 71 Tuas View Place #05-01 and 71 Tuas View Place #05-20 not having been disposed of or agreed to be disposed of as at Completion;
- (h) each of the Vendors having entered into the service contracts with any of the KA Group Companies and/or KA Group Holdco (as shall be required by the Purchaser) for a term of five (5) years commencing from the Completion Date and on such other terms and conditions (including performance-based incentives) as may be agreed between the parties to the Share Purchase Agreement (the “**Vendor Service Contracts**”); and
- (i) save in respect of the Vendors, each shareholder of KAFSB having provided an undertaking in favour of the Purchaser to perform, comply with and be bound by all the terms of the Share Purchase Agreement applicable to or affecting KAFSB in so far as they remain to be observed after Completion, as if such shareholder was an original party to the Share Purchase Agreement and named in it as a Vendor.

The Company will make an immediate announcement via SGXNET in the event any conditions precedent are waived.

3.4. Company’s Pre-Completion Covenants

The Company irrevocably and unconditionally undertakes not to, during the period from the signing of the Share Purchase Agreement up till the Completion Date (both dates inclusive), without the prior written consent of the Vendors, and save for the issue of the Consideration Shares:

- (a) undertake any capital reduction, bonus issue, stock split or do such other acts in relation to its share capital;

- (b) reserve or allot and issue any shares or other securities;
- (c) grant any options over shares or securities;
- (d) issue any warrants, convertible preference shares or other forms of convertible securities (however called) which are convertible into shares in the capital of the Company;
- (e) enter into any agreement or undertaking to do any of the corporate actions set out in Section 3.4(a) to (d) above; or
- (f) do, agree to do, permit, or cause to be done, any act which will vary the rights attaching to any of such shares in the Company.

3.5. Put and Call Options

Each Vendor jointly grants to the Purchaser the Call Option, and the Purchaser grants to the Vendors the Put Option, over all of the shares constituting the remaining 30% of the total issued share capital of each KA Group Company or, where the Put and Call Option is exercised subsequent to the Restructuring, the KA Group Holdco and KAFSB (the “**Option Shares**”), subject to, *inter alia*, the following terms and conditions:

- (a) The Put and Call Options may be exercised¹:
 - (i) in the period commencing on and from the date falling immediately after the expiry of four (4) years from the Completion Date, in respect of the First Tranche Option Shares;
 - (ii) in the period commencing on and from the date falling immediately after the expiry of five (5) years from the Completion Date, in respect of another one-third of the Option Shares and any remaining First Tranche Option Shares;
 - (iii) in the period commencing on and from the date falling immediately after the expiry of six (6) years from the Completion Date, in respect of all remaining Option Shares;
 - (iv) in the event a Deadlock Event occurs and is not resolved within thirty (30) Business Days thereafter, in respect of all remaining Options Shares;
 - (v) in the event the Drag-Along Right is exercised, within ten (10) Business Days from the notice of such exercise, in respect of all remaining Option Shares;
 - (vi) save in respect of the Restructuring, in the event the Purchaser disposes of shares held by it in any KA Group Company or the KA Group Holdco (as the case may be) or in the event of a dilution of the shareholding of the Purchaser in any KA Group Company or the KA Group Holdco (as the case may be) as a result of an issuance of new shares by, or an alteration of the share capital of, such company, and such

¹ Notwithstanding any right or entitlement which the Company may have to exercise the Call Option earlier than in and from the fifth (5th) year after the Completion Date, the Company does not intend to exercise the Call Option or any part thereof within the first two (2) years immediately following the Completion Date. In any event, should the Company, for any reason whatsoever, decide to exercise the Call Option during the first two (2) years immediately following the Completion Date, the Company undertakes to ensure that either one of the following conditions is fulfilled before exercising the Call Option:

- (a) the total consideration paid for the Proposed Acquisition combined with the total consideration payable for the remaining 30% interest in each of the KA Group Companies (under the Call Option) will not result in any of the relative figures as computed on the bases set out in Rule 1006(c) or Rule 1006(d) of the Listing Manual being equal to or exceeding 100%; or
- (b) the completion of the Call Option shall be made subject to compliance with the requirements of Rule 1015 of the Listing Manual where the total consideration paid for the Proposed Acquisition combined with the total consideration payable for the remaining 30% interest in each of the KA Group Companies (under the Call Option) will result in any of the relative figures as computed on the bases set out in Rule 1006(c) or Rule 1006(d) of the Listing Manual to be equal to or exceeding 100%.

disposal or dilution (as the case may be) results in the Purchaser holding shares amounting to less than 50% of the total issued shares of that KA Group Company or the KA Group Holdco (as the case may be), within five (5) Business Days from the completion of such disposal, in respect of all remaining Option Shares;

- (vii) in the event the Company breaches the Nominee Undertaking, within five (5) Business Days from such breach of the Nominee Undertaking, in respect of all remaining Option Shares; and
 - (viii) in the event any Termination Event occurs, in respect of all remaining Option Shares.
- (b) The exercise price of the Put and Call Options in respect of each Option Share shall be the amount determined based on the Entry Price and adjusted by the RNTA as follows:
- (i) in the event the RNTA is positive, the exercise price shall be based on the Entry Price and increased by the numerical value of the RNTA; and
 - (ii) in the event the RNTA is negative, the exercise price shall be based on the Entry Price and decreased by the numerical value of the RNTA,

where:

“Entry Price” shall mean the consideration paid by the Purchaser for each KA Group Share (i.e. the Consideration divided by the total number of KA Group Shares), provided always that in the event the Restructuring has occurred, the Entry Price in respect of the shares in the KA Group Holdco shall be deemed to be the price (determined taking into account the price per share equivalent to the consideration paid by the Purchaser for each KA Group Share) attributable to the shares of the KA Group Companies that have been reorganised under the KA Group Holdco pursuant to the Restructuring.

“Latest NTA” shall mean the NTA of each ordinary share of the relevant KA Group Company or the KA Group Holdco (as the case may be) determined based on the latest available unaudited monthly financial statements of the relevant KA Group Company or the KA Group Holdco (on a consolidated basis) (as the case may be) immediately prior to the exercise of the Put and Call Options and in determining the Latest NTA, any revaluation surplus or deficit in respect of any land, building or other property shall be taken into account.

“RNTA” shall mean the Latest NTA less the NTA of each ordinary share of the relevant KA Group Company or the KA Group Holdco (as the case may be) as at 31 December 2013 (which shall be based on the FY2013 Proforma Accounts and shall take into account any revaluation surplus or deficit in respect of any land, building or other property).

For the purposes of determining the RNTA, any revaluation of any land, building or other property shall be determined by a Valuer jointly engaged by the Vendors and the Purchaser, and the Vendors and the Purchaser agree and acknowledge that any such value of the land, building or other property as determined by the Valuer shall be absolute and final. The cost of the valuation shall be borne equally between the Vendors and the Purchaser.

For the avoidance of doubt, a revaluation shall be done as at 31 December 2013 and as at the date of the Latest NTA, so as to determine if there is any revaluation surplus or deficit between the NTA as at 31 December 2013 and the Latest NTA. For the further avoidance of doubt, any such revaluation surplus or deficit will affect the RNTA value, which will in turn affect the exercise price of the Put and Call Options.

“Valuer” shall mean any of the following:

- (a) Savills Singapore;
- (b) Knight Frank Singapore;

- (c) DTZ Singapore;
- (d) Colliers Singapore; or
- (e) any other reputable and internationally recognised valuer jointly agreed upon by the Vendors and the Purchaser.

It is envisaged that in the normal course, the party exercising the Put and Call Option will set out the applicable exercise price when giving notice of such exercise. The recipient of such notice will then verify such exercise price to ensure it was properly calculated. In the case of the Company (whether as the party setting out the exercise price in an exercise notice or whether as the receiving party verifying the exercise price), both its management and the Board will check whether the applicable exercise price was properly calculated.

- (c) The Put and Call Options shall be exercised in tranches of 10% and not in any smaller denominations and the exercise price shall be paid wholly in cash. For the avoidance of doubt, any tranche which was not exercised during the relevant exercise period shall be available for exercise during the subsequent exercise period(s).
- (d) Notwithstanding anything to the contrary in the Share Purchase Agreement, the Put Option shall become immediately exercisable in the event of a termination of the employment of either of the Vendors without cause.

3.6. Vendor Service Contracts

The Vendor Service Contracts to be entered into by the Vendors shall be for a term of five (5) years commencing from the Completion Date and on terms and conditions to be agreed between the parties to the Share Purchase Agreement, which shall include a performance-based incentive.

It is envisaged that pursuant to the Vendor Service Contracts, Mr. Soh Yong Poon will be engaged as the Chief Executive Officer, and Ms. Soh Ying Sin would be engaged as the Chief Operating Officer, of the KA Group, and both of them will be responsible for, and be granted operational independence in, the day-to-day running of the KA Group, subject to such limits as may be imposed in the Vendor Service Contracts. In the event the profits of the KA Group achieve certain thresholds, the Vendors will also be granted certain performance incentives on top of their basic remuneration.

3.7. Reserved Matters

Under the Share Purchase Agreement, certain corporate exercises of any KA Group Company or the KA Group Holdco (as the case may be) shall require the affirmative vote of either of the Vendors on the one hand, and the affirmative vote of the Purchaser on the other, including, *inter alia*, alterations to its share capital, certain acquisitions, disposals (including the disposal of the KA Group Holdco or any KA Group Company) and transactions (including related party transactions), and the declaration or payment of any dividends or the making of any distribution (save for any declaration or payment of any dividend or making of any distribution of up to 30% of the audited net profit after tax in respect of any financial year commencing from and including FY2014).

In this regard, the board matters which requires the approval of a director nominated by either of the Vendors on the one hand, and the affirmative vote of a director nominated by the Purchaser on the other, are as follows:

- (a) the cessation of the conduct of, or a change in, the business of the KA Group;
- (b) the borrowing or the incurrence of any indebtedness under any banking and credit facilities and/or the grant of any guarantee, indemnity, performance, bond, lien, pledge, charge, mortgage or other security exceeding S\$500,000 in a single transaction or in aggregate with prior transactions other than in the ordinary course of the business of the KA Group. For the avoidance of doubt, in the event that the Purchaser is required to grant or otherwise grants any guarantee or indemnity in relation to any of the aforementioned borrowings, the

Purchaser shall be entitled to a counter-indemnity from the Vendors on a joint and several basis and in proportion to their shareholding in the relevant KA Group Company or the KA Group Holdco (as the case may be);

- (c) the grant of any power of attorney;
- (d) the incurrence of capital expenditure exceeding S\$1,000,000;
- (e) the entry into any material agreement which cannot be terminated without incurring a penalty exceeding S\$500,000 within twelve (12) months of its commencement;
- (f) the entry into any abnormal or unusual contract or commitment, including a contract or commitment which would involve a total outlay in excess of S\$1,000,000 over the entire term of such contract or commitment;
- (g) the entry into any transaction with a shareholder of any KA Group Company or the KA Group Holdco (as the case may be) or an affiliate of such shareholder;
- (h) the transferral, disposal or creation of any interest over real estate; and
- (i) the assignment, licence, transferral, disposal or creation of any security interest over, or the dealing in, any intellectual property except in the ordinary course of the business of the KA Group.

3.8. Board

For as long as either Vendor is a shareholder of such KA Group Company and/or the KA Group Holdco (as the case may be), each Vendor shall be entitled to appoint up to one (1) director to the board of directors of such KA Group Company and/or the KA Group Holdco (as the case may be). The Purchaser shall likewise be entitled to appoint up to four (4) directors to the board of directors of such KA Group Company and/or the KA Group Holdco (as the case may be).

3.9. Deadlock Events

A “**Deadlock Event**” is deemed to have occurred if:

- (a) a proposed sale of any KA Group Company has been blocked by the Vendors;
- (b) shareholders of any of the KA Group Companies or the KA Group Holdco (as the case may be), at a duly convened meeting of shareholders, fail to agree on any matter which is a reserved matter and no resolution on the impasse is achieved within ninety (90) days from the date of such meeting; or
- (c) the directors of any of the KA Group Companies or the KA Group Holdco (as the case may be), at a duly convened meeting of the board of directors, fail to agree on any matter which is a reserved matter and no resolution on the impasse is achieved within ninety (90) days from the date of such meeting.

For the avoidance of doubt, each of the Vendors and the Purchaser undertakes to enter into mediation and negotiations in good faith as soon as practicable following the occurrence of a Deadlock Event to resolve any such impasse.

3.10. Drag-Along and Tag-Along Rights

Save in respect of the Restructuring and subject to the Put and Call Options not being exercised in accordance with Section 3.5(a)(v) of this Circular, the Purchaser is granted the customary drag-along right, at any time that it proposes to sell all (and not some only) of the ordinary shares held by it in a KA Group Company or the KA Group Holdco (as the case may be), to require the Vendors to sell all (and not some only) of the ordinary shares held by the Vendors (directly or through their respective nominees) in that KA Group Company or the KA Group Holdco (as the

case may be) to the third party purchaser at the price offered to the Purchaser and on terms and conditions no less favourable to the Vendors than the terms and conditions which are offered to the Purchaser (the “**Drag-Along Right**”).

Save in respect of the Restructuring and save where notice of exercise of the Purchaser’s Drag-Along Right has been served, the Vendors are granted the customary tag-along right, at any time that the Purchaser proposes to sell all (and not some only) of the ordinary shares held by it in a KA Group Company or the KA Group Holdco (as the case may be), to require the Purchaser to procure the sale of all (and not some only) of the ordinary shares held by the Vendors (directly or through their respective nominees) in that KA Group Company or the KA Group Holdco (as the case may be) to the third party purchaser along with the Purchaser’s sale of the ordinary shares to such third party purchaser at the price offered to the Purchaser and on terms and conditions no less favourable to the Vendors than the terms and conditions which are offered to the Purchaser (the “**Tag-Along Right**”).

The Drag-Along Right and Tag-Along Right may only be exercised in respect of a KA Group Company or the KA Group Holdco (as the case may be) for as long as the Purchaser is a majority shareholder of that KA Group Company or the KA Group Holdco (as the case may be). For the avoidance of doubt, only the Purchaser is granted the Drag-Along Right, while only the Vendors are granted the Tag-Along Right.

3.11. Termination Events

A non-defaulting party to the Share Purchase Agreement (the “**Non-Defaulting Party**”) shall be entitled to exercise the Call Option or Put Option (as the case may be) in accordance with Section 3.5(a)(viii) of this Circular if any of the following events occurs (the “**Termination Events**”):

- (a) if the other party (the “**Defaulting Party**”) commits any breach of any of its material obligations under the Share Purchase Agreement and fails to remedy such breach (if such breach is capable of remedy) within sixty (60) days after being given notice by the Non-Defaulting Party;
- (b) if the Defaulting Party goes into bankruptcy or liquidation, whether compulsory or voluntarily (except for the purposes of a *bona fide* reconstruction or amalgamation with the consent of the Non-Defaulting Party, such consent not to be unreasonably withheld);
- (c) if a petition is presented or an order is made for the appointment of an administrator in relation to the Defaulting Party or if an official assignee, receiver, administrative receiver, judicial manager or manager is appointed over any part of the assets or undertakings of the Defaulting Party, and such appointment is not revoked within thirty (30) days from the date of such appointment;
- (d) if any event analogous to any of the foregoing set out in paragraphs (b) and (c) above occurs in any jurisdiction; and
- (e) if the Defaulting Party makes a general assignment or any composition or arrangements with or for the benefit of its creditors.

In the event that a Call Option or Put Option (as the case may be) is exercised in respect of all remaining Option Shares, the Share Purchase Agreement shall automatically terminate upon the completion of the exercise of the Call Option or Put Option (as the case may be).

Upon termination of the Share Purchase Agreement, all further rights and obligations of the parties shall cease to have effect and no party will have any claim against the other parties, except that termination shall not affect the accrued rights and obligations of the parties at the date of termination nor the continued existence and validity of the rights and obligations of the parties under certain surviving provisions. For the avoidance of doubt, no termination fee is payable by any party in the event of a termination of the Share Purchase Agreement.

4. OBJECTIVES OF AND RATIONALE FOR THE PROPOSED ACQUISITION AND BENEFITS TO THE COMPANY

4.1. Objectives

The Vendors and the Company believe that, based on the technical know-how and industry knowledge that the Vendors have and the strength of the network of contacts and connections as well as the resources of the Company, they can leverage on their respective expertise and strengths to grow the business of the KA Group and to work towards increasing the value of the KA Group. In particular, the intent of the Vendors and the Company is to:

- (a) institutionalize the expertise and know-how of the KA Group;
- (b) enhance the management team of the KA Group to support the abovementioned objectives;
- (c) grow the KA Group's business internationally; and
- (d) institutionalize the corporate management process of the KA Group in the areas of corporate governance and the business best practices.

4.2. Rationale for the Proposed Acquisition and Benefits to the Company

With the reconstituted Board and a dedicated management team on board since the start of 2013, the Company streamlined its operations and restructured its business in 2013 by disposing non-core assets and refocusing its efforts on its primary business, i.e. the plastics division. With the rationalization and consolidation of the Group's operations, the Company is now poised to seek new business platform(s) that will allow the Group to develop stable and diversified streams of income.

The steady growth of Singapore and regional economies have resulted in sustained activities in urbanization and infrastructure development projects, particularly in building/construction activities in the region. The Company's embarkation into niche specialized building-related products via the Proposed Acquisition will help to expand its revenue base and improve on its profitability. The rationale and benefits of the Proposed Acquisition to the Company are as follows:

- (a) the KA Group, as an established manufacturer cum applicator of fire protection materials serving the building industry, will provide the Company with an immediate entry point into the industry and provide a good platform to further expand into other niche specialized building-related activities/products;
- (b) the KA Group is run by the Vendors and a team of dedicated staff. It has a strong operating track record and has consistently produced attractive margins and profits which will help to enhance the Company's financial performance going forward;
- (c) the high barrier of entry, in the form of a long cycle of stringent agency certifications, places the KA Group in an advantageous position vis-à-vis new entrants to the industry; and
- (d) the efforts of urban planning agencies in the region to raise awareness of the need for compliance with internationally accepted building and fire codes applicable to both old and new buildings will enable sustained demand for the KA Group's products and support the growth of the KA Group going forward.

The Proposed Acquisition will therefore provide the Company with the opportunity to acquire a profitable entity, and will be earnings accretive with significant opportunities for growth both locally and in the region.

There was no introducer involved for the Proposed Acquisition, and accordingly, no introducer fees are payable in respect of the Proposed Acquisition.

5. RISK FACTORS

To the best of the Directors' knowledge and belief as at the Latest Practicable Date, the risk factors from the business of the KA Group that are material to the Shareholders in making an informed judgment on the Proposed Acquisition are set out below. Shareholders should carefully evaluate each of the following risk factors prior to deciding on the Proposed Acquisition.

In general, the KA Group could be affected by a number of risks that may relate to the industry and countries in which the KA Group operates as well as those that may generally arise from, among others, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Company or that the Company may currently deem immaterial, which could affect the future revenues arising from the business of the KA Group. If any such risk develops into an actual event, the potential revenue arising from the business of the KA Group could be materially and adversely affected. In such event, the financials of the KA Group may be adversely affected.

Save as disclosed in this Circular, the Directors are not aware of any material information including any special business factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the business of the KA Group.

5.1. The KA Group is dependent on the Vendors and key management personnel for its continued growth

The success and growth of the business of the KA Group depends to a significant extent on the continued services and efforts of the Vendors. The Vendors have been instrumental to the development and growth of the business of the KA Group and is expected to continue to play important roles in the continued development and growth of the KA Group. Notwithstanding that the Vendors will be entering into the Vendor Service Contracts for a period of five (5) years commencing from the Completion Date, there can be no assurance that the KA Group will be successful in retaining the Vendors or hiring qualified management personnel to replace them should such a need arise.

The growth and success of the KA Group is also dependent on its ability to retain its key management personnel and train new employees.

Accordingly, the termination of the employment or the loss of the services of the Vendors or of any of the key management personnel of the KA Group without suitable and timely replacement or the inability to attract and retain qualified personnel will have a materially adverse effect on the operations of the KA Group and hence, its revenue and profits.

5.2. The KA Group is dependent on the construction of new commercial and industrial buildings in Singapore

As the revenue of the KA Group is derived mainly from projects in commercial and industrial developments in Singapore, its business is dependent on the general health of the Singapore economy. Consequently, a slowdown in the growth and development of the commercial and industrial sector in Singapore resulting in fewer new developments and projects will result in a decline in the demand for the products of the KA Group and in turn would have a material and adverse impact on its financial performance.

5.3. The KA Group is exposed to credit risks of its customers

The KA Group may be exposed to credit risks which include payment delays and/or default by its customers. The nature of its industry is such that the work is usually carried out before payment is made. Its customers may not be able to meet their contractual payment obligations to the KA Group, either in a timely manner or at all, or may otherwise default on these obligations. The reasons for payment delays and/or cancellations may include, *inter alia*, its customers' insolvency or bankruptcy, or inability to raise sufficient financing.

The credit risks also include costs to be incurred by the KA Group during the course of the projects, including labour and material costs.

5.4. If the KA Group is unable to keep pace with changes in its industry, its business may be adversely affected

The business of the KA Group is characterised by evolving industry standards. These changes may require the KA Group to incur time, expenditure and management resources to conduct research and development, or develop new products or enhance existing products.

There is no assurance that the KA Group will be successful in its attempts to respond to these changes or that the new or enhanced products that it develops will meet the market demands on a timely basis or are superior to that of its competitors. Failure to achieve any of the foregoing in a timely and cost effective manner may affect its competitiveness, and may otherwise have a material and adverse effect on its business, financial condition, results of operations and prospects. In addition, as the time frame for developing new products and the demand for such new products is not pre-determinable, there is a substantial risk that the KA Group may have to abandon a potential product which is no longer marketable even if it had invested significant resources in the research and development of such product.

5.5. The KA Group faces competition from existing industry players and new entrants

The KA Group faces competition from local and international players. Some of its competitors may possess longer operating history, stronger relationships with suppliers and customers, greater financial strength, and better technical and marketing know-how in the markets the KA Group operates in or intends to venture into. In the event that the KA Group is unable to provide competitive pricing and/or quality products and services on a timely basis, it may lose its customers and market share to its competitors. In the event its competitors are able to develop more innovative products, provide comparable or better products at lower prices, respond to changes in market conditions more swiftly or effectively than the KA Group does or develop regulated products which have attained a higher fire rating in comparison to its existing range of regulated products, its business, financial performance, financial condition, results of operations and prospects may be materially and adversely affected.

5.6. The financial performance of the KA Group is dependent on its continued ability to secure new projects, deliver and install its products and the non-cancellation of secured projects

As a substantial portion of the business of the KA Group is undertaken on a project basis, and its projects vary in scope and size and are typically non-recurring, the KA Group supplies different products to its customers on an irregular basis and its revenue may therefore fluctuate from year to year. There is no assurance that it will be able to secure new projects and if it is unable to do so for any reason, its business and results of operations will be materially and adversely affected.

In relation to its projects for new construction sites, the KA Group typically supplies and installs its products only after the onsite construction work has generally been completed. It is common, however, that the construction work cannot be completed on schedule due to factors that are beyond the KA Group's control. Hence, there can be no assurance that it will be able to recognise the revenue generated from such projects in a timely manner and its financial performance and position may be materially and adversely affected.

Cancellation of secured projects due to factors such as lack of funds on the part of the customers of the KA Group or the owners of the projects and poor market conditions will adversely affect the business and profitability of the KA Group. Any cancellation of projects could lead to the inability of the KA Group to recover costs associated with the purchase of materials, idle or excess capacity, and may adversely affect its business and financial position.

5.7. Risks in relation to the business expansion plans of the KA Group

The Vendors and the Company intend to grow the KA Group's business internationally. These expansion plans involve a number of risks, including but not limited to adopting the appropriate business model, securing required governmental approvals and permits, and staffing, training and retention of skilled management and service personnel. The KA Group's inability to manage its business expansion and growth may adversely affect its business operations and financial performance.

5.8. The KA Group is dependent on foreign labour and may face labour shortages or increased costs of labour for its Singapore operations

Due to the relative lack of local workers in the industry in which the KA Group operates, the KA Group has become partially reliant on foreign labour. As it relies on foreign workers (including skilled workers) to meet its labour needs, the KA Group is vulnerable to changes in the availability and costs of employing foreign workers. Any changes in the labour policies of the relevant jurisdictions from which these workers originate may affect the supply and/or cost of foreign workers and cause disruptions to the operations of the KA Group.

Additionally, if the KA Group is not able to pass on the increase in labour costs to its customers, its financial performance will be adversely affected.

5.9. The KA Group may be affected by major or sustained disruptions to its operations

In the event of any major or sustained disruptions in the supply of utilities such as electricity and water, or any outbreak of fire or flood which results in significant damage to its premises, the operations of the KA Group will be adversely affected. Further, the operations of its production facilities are especially susceptible to any prolonged significant equipment downtime, since timely delivery of orders is a priority in its business. Should such events materialise, customer confidence will drop and its business and financial position will be adversely affected.

5.10. The KA Group may need to incur additional expenses and resources in the event it receive any product liability claims or claims for defects or delays in delivery

The products which the KA Group supplies generally include a warranty period. The KA Group does not charge to its customers the rectification and repair works to be carried out by it that are covered under warranty.

During the warranty period, as the KA Group will remain primarily responsible for any claims to be made under the warranty, significant warranty claims for rectification and repair works will have an adverse effect on its business operations, financial performance and financial condition.

5.11. Failure to obtain or renew Certificates of Conformity or regulatory approvals for its products will adversely affect the business of the KA Group and its financial performance

Products of the KA Group are awarded with Certificates of Conformity by product testing, inspection and certification authorities, which certify that the products are in compliance with the relevant requirements, before they can be sold as a regulated product. These Certificates of Conformity are awarded for a fixed period of time. If the KA Group is unable to obtain such Certificates of Conformity or the renewals of any of its existing certificates or other regulatory approvals, for any reason, its business and its financial performance will be adversely affected. Its market reputation may also be adversely affected and its ability to tender for jobs involving regulated products would be adversely affected.

5.12. The KA Group may experience industry related accidents which may expose it to liability claims

The staff of the KA Group in its production facilities are involved in the manufacture of products. Due to the nature of their work, accidents may occur resulting in personal injury, death or losses or damages to property. In the event the KA Group is found guilty of any lapses or inadequacy in safety standards which result in such accidents, it may be subject to regulatory sanctions, civil law suits or liability claims. In addition, its delivery and installation staff may encounter traffic accidents during the course of transportation for the delivery of its products. The occurrence of accidents may disrupt or delay its operations, result in liabilities incurred by the KA Group and adversely affect its reputation, financial condition and results of operations.

5.13. The insurance coverage of the KA Group may not be adequate

The KA Group has taken up insurance policies for various risks. However, in the event that any claims arise which are not covered by such insurance policies or if insurance coverage of the KA Group is insufficient, the KA Group may be exposed to losses which may adversely affect its profitability.

The KA Group may face risk of loss to its properties, equipment and inventories due to fire, theft and natural disasters. In the event that such eventualities were to occur, its operations will be interrupted and if its insurance policies are not sufficient to cover all potential losses, its business operations and financial position will be adversely affected.

6. FUNDING FOR THE PROPOSED ACQUISITION

The cash component of the Consideration will be funded by the Group by way of internal resources.

7. UNDERTAKINGS BY MAJOR SHAREHOLDERS

Each of TH Investments Pte Ltd and Amtrek Investment Pte. Ltd., the majority shareholders of the Company who together hold an aggregate of approximately 59% of the share capital of the Company, has undertaken to the Vendors: (a) to vote in favour of the resolution(s) relating to the Proposed Acquisition and the Put and Call Options proposed to be passed at the EGM; and (b) not to sell, transfer, or otherwise dispose of its interest in the Company until after the EGM or, where there is any adjournment thereof, the conclusion of the adjourned EGM.

8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE EXERCISE OF THE PUT AND CALL OPTIONS

8.1. Basis

The pro forma financial effects of the Proposed Acquisition and the exercise of the Put and Call Options (if indeed exercised) as set out in Sections 8.2, 8.3 and 8.4 of this Circular is based on the audited financial statements of the Group for FY2013, the pro forma unaudited financial statements of the KA Group for FY2013, and based on the following key assumptions:

- (a) the Proposed Acquisition and the exercise of the Put and Call Options had been completed on 1 January 2013 for the purpose of computing the financial effects on the consolidated EPS of the Company;
- (b) the Proposed Acquisition and the exercise of the Put and Call Options had been completed on 31 December 2013 for the purpose of computing the financial effects of the consolidated NTA and NAV of the Company;
- (c) the assets and liabilities of the KA Group are based on their respective book values and no fair valuation exercise has been undertaken in respect of such assets and liabilities;
- (d) the fair value of the Put and Call Options is valued at nil;
- (e) the exercise price of the Put and Call Options is the Entry Price;
- (f) the consideration for the Proposed Acquisition and the exercise of the Put and Call Options is satisfied by the issue of the Consideration Shares at an issue price of S\$0.63 per Consideration Share and the balance in cash; and
- (g) transaction costs of S\$450,000.

The pro forma financial effects are presented for illustration purposes only, and are not intended to reflect the actual future financial situation of the Company after completion of the Proposed Acquisition and the exercise of the Put and Call Options (if indeed exercised).

8.2. EPS

	FY2013	After the Proposed Acquisition	After the Proposed Acquisition and Exercise of Options
Profit attributable to owners of the Company (S\$'000)	1,143	3,036	4,040
Weighted average no. of Shares	98,725,879	103,725,879	103,725,879
EPS (cents)	1.16	2.93	3.89

8.3. NTA per Share

	As at 31 December 2013	After the Proposed Acquisition	After the Proposed Acquisition and Exercise of Options
NTA (S\$'000)	62,033	55,086	50,951
No. of issued Shares	98,725,879	103,725,879	103,725,879
NTA per Share (S\$)	0.63	0.53	0.49

8.4. NAV per Share

	As at 31 December 2013	After the Proposed Acquisition	After the Proposed Acquisition and Exercise of Options
NAV (S\$'000)	62,033	64,733	64,733
No. of issued Shares	98,725,879	103,725,879	103,725,879
NAV per Share (S\$)	0.63	0.62	0.62

9. REQUIREMENTS OF CHAPTER 10 OF THE LISTING MANUAL AS TO MAJOR TRANSACTIONS

9.1. Requirements of the Listing Manual

Under Rule 1006 of the Listing Manual, a transaction (as defined in the Listing Manual) may be categorised as a (a) non-discloseable transaction; (b) discloseable transaction; (c) major transaction; or (d) very substantial acquisition or reverse takeover, depending on the size of the relative figures computed on the bases set out thereunder.

Rule 1014(1) of the Listing Manual states that where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the transaction is classified as a major transaction.

Rule 1015(1) of the Listing Manual states that where an acquisition of assets (whether or not the acquisition is deemed in the issuer's ordinary course of business) is one where any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual is 100% or more, or is one which will result in a change in control of the issuer, the transaction is classified as a very substantial acquisition or reverse takeover. However, Rule 1015(7) of the Listing Manual states that Rule 1015 of the Listing Manual does not apply in the case of an acquisition of profitable asset(s) if the only limit breached is Rule 1006(b) of the Listing Manual.

9.2. Relative Figures Pursuant to Rule 1006 of the Listing Manual

For the purposes of determining the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, the Proposed Acquisition and the exercise of the Put and Call Options are aggregated and treated as if they were one transaction. Assuming that the Put and Call Options are fully exercised, and on the aforesaid basis that the acquisition of the KA Group Shares is aggregated with the acquisition of all the Options Shares, the relative figures for the Proposed Acquisition and the exercise of the Put and Call Options computed on the bases set out in Rule 1006 of the Listing Manual based on the audited consolidated accounts of the Company for FY2013 are as follows:

Rule 1006	Bases	Percentage (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable, as the Proposed Acquisition and the exercise of the Put and Call Options involve an acquisition of assets.
(b)	The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	344.4%
(c)	The aggregate value of the consideration ⁽²⁾ given or received, compared with the Company's market capitalisation ⁽³⁾ based on the total number of issued shares, excluding treasury shares.	52.3%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	5.1%

Notes:

- (1) Net profit is defined as profit or loss before taxation, minority interests and extraordinary items. The unaudited pro forma net profit attributable to the KA Group Shares and the Option Shares for FY2013 is S\$3.9 million.
- (2) Based on the maximum consideration of S\$23.8 million for a 100% interest in the KA Group.
- (3) The market capitalisation of the Company was calculated on the basis of 98,725,879 Shares in issue as at 4 July 2014, being the date of the Share Purchase Agreement and the one (1)-day VWAP of S\$0.46 for each Share on 2 July 2014, being the last Market Day on which the Shares were traded immediately preceding the date of the Share Purchase Agreement.

As the Proposed Acquisition involves the acquisition of profitable assets, and the only relative figure computed on the bases set out in Rule 1006 of the Listing Manual which exceeds 100% is that calculated under Rule 1006(b) of the Listing Manual, Rule 1015 of the Listing Manual would not apply to the Proposed Acquisition and the exercise of the Put and Call Options.

Nevertheless, as one or more of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, the Proposed Acquisition and the exercise of the Put and Call Options (if indeed exercised) would be considered a major transaction under Chapter 10 of the Listing Manual and is therefore subject to the approval of Shareholders at the EGM.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

10.1. Interests of Directors of the Company

The interests of the Directors of the Company in the Shares, based on information as recorded in the Register of Directors' Shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, are as follows:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Ng Chee	—	—	—	—	—	—
Colin Low	—	—	—	—	—	—
Foo Der Rong	—	—	—	—	—	—
Tan Boon Wan	—	—	—	—	—	—
Shabbir Hakimuddin Hassanbhai	—	—	—	—	—	—
Wong Meng Choong	—	—	—	—	—	—
Ng How Kiat Charlie	—	—	—	—	—	—
Ng San Tiong (Alternate Director to Wong Meng Choong)	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Chew Leong Chee (Alternate Director to Ng How Kiat Charlie)	—	—	28,856,000 ⁽²⁾	29.23	28,856,000	29.23

10.2. Interests of Substantial Shareholders of the Company

The interests of the Substantial Shareholders of the Company in the Shares, based on information as recorded in the Register of Substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, are as follows:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
TH Investments Pte Ltd	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Tat Hong Investments Pte Ltd	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Chwee Cheng & Sons Pte Ltd	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Ng San Tiong	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Ng Sun Ho	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Ng San Wee	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Ng Sun Giam	—	—	29,486,148 ⁽¹⁾	29.87	29,486,148	29.87
Amtrek Investment Pte. Ltd.	28,856,000	29.23	—	—	28,856,000	29.23
Chew Leong Chee	—	—	28,856,000 ⁽²⁾	29.23	28,856,000	29.23
Melanie Chew Ng Fung Ning	—	—	28,856,000 ⁽³⁾	29.23	28,856,000	29.23
Resource Pacific Holdings Pte. Ltd.	—	—	28,856,000 ⁽⁴⁾	29.23	28,856,000	29.23
Asia Resource Corporation Pte. Ltd.	—	—	28,856,000 ⁽⁵⁾	29.23	28,856,000	29.23
Macondray Holdings Pte. Ltd.	—	—	28,856,000 ⁽⁶⁾	29.23	28,856,000	29.23
Representations International (H.K.) Limited	—	—	28,856,000 ⁽⁷⁾	29.23	28,856,000	29.23

Notes:

- (1) Shares owned by TH Investments Pte Ltd (“**THIPL**”) are held under a nominee account. THIPL is wholly owned by Tat Hong Investments Pte Ltd which in turn is wholly owned by Chwee Cheng & Sons Pte Ltd (“**CCSPL**”). 42.03% of the issued share capital of CCSPL is owned by the Chwee Cheng Trust (“**CCT**”) constituted under a trust deed. Mr. Ng San Tiong, Mr. Ng Sun Ho, Mr. Ng San Wee and Mr. Ng Sun Giam are the joint trustees of CCT. Pursuant to Section 7 of the Companies Act, each of Mr. Ng San Tiong, Mr. Ng Sun Ho, Mr. Ng San Wee and Mr. Ng Sun Giam have a deemed interest in CCT’s 42.03% shareholding interest in CCSPL and a direct interest in CCSPL. Accordingly, each of Mr. Ng San Tiong, Mr. Ng Sun Ho, Mr. Ng San Wee and Mr. Ng Sun Giam has a deemed interest in 29.87% of the issued share capital of the Company.
- (2) Mr. Chew Leong Chee (“**Mr. Chew**”) owns 60% direct interest and 40% indirect interest through his spouse, Dr. Melanie Chew Ng Fung Ning (“**Dr. Melanie Chew**”), in Resource Pacific Holdings Pte. Ltd. (“**RPHPL**”). Mr. Chew also owns 37.64% and 99.99% interest in Asia Resource Corporation Pte. Ltd. (“**ARCPL**”) and Pontirep Investments Limited (“**PIL**”) respectively. RPHPL and PIL own 30.54% and 11.76% interest respectively in ARCPL. ARCPL owns 80.59% and 100% interest in Macondray Holdings Pte. Ltd. (“**MHPL**”) and Representations International (H.K.) Limited (“**RIHKL**”) respectively. MHPL owns 60% interest in Amtrek Investment Pte. Ltd. (“**AIPL**”). RIHKL owns 40% interest in AIPL. Pursuant to Section 7 of the Companies Act, Mr. Chew is deemed to be interested in the Shares held by AIPL.
- (3) Dr. Melanie Chew owns 40% direct interest in RPHPL. Dr. Melanie Chew is also deemed to be interested in 60%, 37.64% and 99.99% interest in RPHPL, ARCPL and PIL respectively held by her spouse, Mr. Chew. RPHPL and PIL own 30.54% and 11.76% interest respectively in ARCPL. ARCPL owns 80.59% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL. Pursuant to Section 7 of the Companies Act, Dr. Melanie Chew is deemed to be interested in the Shares held by AIPL.
- (4) RPHPL owns 30.54% interest in ARCPL. ARCPL owns 80.59% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL. Pursuant to Section 7 of the Companies Act, RPHPL is deemed to be interested in the Shares held by AIPL.
- (5) ARCPL owns 80.59% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL. Pursuant to Section 7 of the Companies Act, ARCPL is deemed to be interested in the Shares held by AIPL.
- (6) MHPL owns 60% interest in AIPL. Pursuant to Section 7 of the Companies Act, MHPL is deemed to be interested in the Shares held by AIPL.
- (7) RIHKL owns 40% interest in AIPL. Pursuant to Section 7 of the Companies Act, RIHKL is deemed to be interested in the Shares held by AIPL.

Other than through their respective shareholdings in the Company as disclosed above, none of the Directors or Substantial Shareholders of the Company has any interests, direct or indirect, in the Proposed Acquisition.

11. DIRECTORS’ RECOMMENDATION

11.1. Recommendation

Having considered and reviewed, *inter alia*, the terms of the Share Purchase Agreement, and the rationale for and benefits of the Proposed Acquisition as set out in Section 4 of this Circular, the Directors are of the unanimous opinion that the Proposed Acquisition and the Put and Call Options are in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolutions as set out in the Notice of EGM.

11.2. Interests in TH Investments Pte Ltd and Amtrek Investment Pte. Ltd.

Mr. Ng San Tiong and Mr. Chew Leong Chee, both of whom are Alternate Directors of the Company, are deemed to be interested in the shares in TH Investments Pte Ltd and Amtrek Investment Pte. Ltd., respectively. As stated in Section 7 of this Circular, each of TH Investments Pte Ltd and Amtrek Investment Pte. Ltd. have undertaken to the Vendors (i) to vote in favour of the resolution(s) relating to the Proposed Acquisition and the Put and Call Options proposed to be passed at the EGM; and (ii) not to sell, transfer, or otherwise dispose of its interest in the Company until after the EGM or, where there is any adjournment thereof, the conclusion of the adjourned EGM.

12. NO DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13. EXTRAORDINARY GENERAL MEETING

The EGM will be held at The Chevrans, Violet Room, Level 3, 48 Boon Lay Way, Singapore 609961 on 2 September 2014 at 10 a.m., for the purpose of considering and, if thought fit, passing, with or without any amendment, the Ordinary Resolutions set out in the Notice of EGM.

14. ACTIONS TO BE TAKEN BY SHAREHOLDERS

14.1. Appointment of Proxies

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event so as to arrive at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 no later than forty-eight (48) hours before the time fixed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

14.2. When Depositor is regarded as a Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least forty-eight (48) hours before the EGM.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Put and Call Options, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 during normal business hours, from the date of this Circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Term Sheet Announcement;
- (c) the Term Sheet;
- (d) the Share Purchase Agreement Announcement;

- (e) the Share Purchase Agreement; and
- (f) the audited consolidated financial statements for FY2011, FY2012 and FY2013 of the Company.

Yours faithfully
for and on behalf of the Board of Directors of
INTRACO Limited

Foo Der Rong
Managing Director and Chief Executive Officer

INTRACO LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of INTRACO Limited (the “**Company**”) will be held at The Chevrons, Violet Room, Level 3, 48 Boon Lay Way, Singapore 609961 on 2 September 2014 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

ORDINARY RESOLUTION 1: PROPOSED ACQUISITION OF A 70% STAKE IN: (I) K.A. BUILDING CONSTRUCTION PTE LTD; (II) FIRESPRAY INTERNATIONAL (SINGAPORE) PTE LTD; (III) K.A. FIREPROOFING PTE LTD; (IV) K.A. FABRIC SHUTTERS PTE LTD; AND (V) K.A. FIRESPRAY SDN BHD (COLLECTIVELY, THE “KA GROUP COMPANIES”), AND THE GRANT OF A PUT OPTION AND CALL OPTION IN RESPECT OF THE REMAINING 30% STAKE

That:

- (a) approval be and is hereby given for the proposed acquisition from Mr. Soh Yong Poon and Ms. Soh Ying Sin (collectively, the “**Vendors**”) of shares constituting 70% of the total issued share capital of each of the KA Group Companies, being a major transaction for the purposes of Chapter 10 of the Listing Manual, subject to the terms and conditions of the share purchase agreement dated 4 July 2014 (the “**Share Purchase Agreement**”) as entered into between the Company, the Vendors and each of the KA Group Companies (the “**Proposed Acquisition**”);
- (b) approval be and is hereby given for the allotment and issue of 5,000,000 new ordinary shares in the capital of the Company (the “**Consideration Shares**”) to the Vendors at an issue price of S\$0.63 per Consideration Share in satisfaction of the first S\$3.15 million of the aggregate consideration payable by the Company for the Proposed Acquisition, subject to the terms and conditions of the Share Purchase Agreement;
- (c) approval be and is hereby given for the grant by the Company to the Vendors of a put option in respect of the remaining 30% of the total issued share capital of each KA Group Company (the “**Option Shares**”), subject to the terms and conditions of the Share Purchase Agreement (the “**Put Option**”);
- (d) in the event the Put Option is exercised, approval be and is hereby given for the acquisition by the Company of the Option Shares, subject to the terms and conditions of the Share Purchase Agreement;
- (e) approval be and is hereby given for the acceptance by the Company of the grant by the Vendors of a call option in respect of the Option Shares, subject to the terms and conditions of the Share Purchase Agreement (the “**Call Option**”); and
- (f) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable or expedient to give effect to matters contemplated by this Ordinary Resolution.

ORDINARY RESOLUTION 2: AUTHORITY TO EXERCISE THE CALL OPTION GRANTED TO THE COMPANY IN RESPECT OF THE REMAINING 30% STAKE IN EACH OF THE KA GROUP COMPANIES

That subject to and contingent upon the passing of Ordinary Resolution 1:

- (a) the Company be and is hereby authorised to exercise the Call Option as the Company deems fit to acquire the Option Shares, subject to the terms and conditions of the Share Purchase Agreement provided that such Call Option shall not be exercised within the first two (2) years immediately following the Completion Date unless:
- (i) the total consideration paid for the Proposed Acquisition combined with the total consideration payable for the remaining 30% interest in each of the KA Group Companies (under the Call Option) will not result in any of the relative figures as computed on the bases set out in Rule 1006(c) or Rule 1006(d) of the Listing Manual to be equal to or exceeding 100%; or
 - (ii) the completion of the Call Option is made subject to compliance with the requirements of Rule 1015 of the Listing Manual where the total consideration paid for the Proposed Acquisition combined with the total consideration payable for the remaining 30% interest in each of the KA Group Companies (under the Call Option) will result in any of the relative figures as computed on the bases set out in Rule 1006(c) or Rule 1006(d) of the Listing Manual being equal to or exceeding 100%; and
- (b) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they may consider necessary, desirable or expedient to give effect to the matters contemplated by this Ordinary Resolution.

By Order of the Board

Yvonne Choo
Tan San-Ju
Company Secretaries

Singapore
15 August 2014

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote in his stead.
2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall, in the case of an individual, be signed by the appointor or his attorney, and in the case of a corporation shall be either under its common seal or signed by its attorney or a duly authorised officer on behalf of the corporation.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 not less than forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting.

**INTRACO LIMITED**

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

**EXTRAORDINARY GENERAL MEETING
PROXY FORM****IMPORTANT:**

1. For investors who have used their CPF monies to buy shares in the capital of INTRACO Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, _____ (Name)

of _____ (Address)

being a member/members of INTRACO Limited (the "Company") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of shareholdings	
			No. of Shares	%

and/or failing him/her (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of shareholdings	
			No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at The Chevrons, Violet Room, Level 3, 48 Boon Lay Way, Singapore 609961 on 2 September 2014 at 10 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of the EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM).

	For	Against
Ordinary Resolution 1		
Proposed acquisition of a 70% stake in: (i) K.A. Building Construction Pte Ltd; (ii) Firespray International (Singapore) Pte Ltd; (iii) K.A. Fireproofing Pte Ltd; (iv) K.A. Fabric Shutters Pte Ltd; and (v) K.A. Firespray Sdn Bhd, and the grant of a Put Option and Call Option in respect of the remaining 30% stake		
Ordinary Resolution 2		
Authority to exercise the Call Option granted to the Company in respect of the remaining 30% stake in each of the KA Group Companies		

Dated this _____ day of _____ 2014

Total number of Shares in:	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of shareholder(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares you hold. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of such shares entered against your name in the Depository Register and registered in your name in the Register of Members. If you do not insert any number, we shall deem that the instrument appointing a proxy or proxies relates to all the shares which you hold.
2. Save as provided in the Articles of Association, a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf. Such proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 not less than forty-eight (48) hours before the time fixed for the holding of the meeting.

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Please
affix
postage
stamp

The Company Secretary
INTRACO Limited
8 Jurong Town Hall Road
#12-01 The JTC Summit
Singapore 609434

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5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of a director or an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter of power of attorney or duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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