

POSITIONING FOR BREAKTHROUGH



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

**Extraordinary General Meeting
21st July 2020**

Intraco Limited

Our Vision

Be an investment holding company with diversified leading businesses, creating value for our stakeholders in the communities across Asia

Our Mission

- Grow our business with leadership positions in markets, industry and technology.
- Achieve profitable and sustainable growth through value-add strategic and proactive management of our investments.

We are refining our strategy and reviewing our existing portfolio of investments with a view to maximising shareholders returns.



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Our Portfolio

Intraco Trading

Trading and distribution of plastic resins

K.A. Group

Provision of passive fire protection products and services in Singapore

Intrawave

Management and maintenance telecommunications infrastructure for the North East Line

Tat Hong Intraco

Provision of crane rental and related services in Myanmar



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Dynamic Colours

Colour compounding and modified compounding of resins; and manufacture of polyethylene packaging materials.

Besides production facilities in Singapore, Dynamic Colours has plants in Malaysia, Vietnam and Suzhou, China, which are amongst the largest in the Jiangsu Province



Rationale For Disposal

1

The Offer Price per DCL Offer Share is at a **13.6% premium to the Last Traded DCL Share Price**, and the terms of the Offer are more attractive than selling the Company's DCL Shares in the open market

2

The Disposal helps to **avoid the risk of a potential impairment in the future** due to the price of DCL Shares that have been trading below its book value since early 2018

3

As an associate investment, the **Company does not have sufficient direct control over the future and direction of DCL**

4

Notwithstanding the loss on disposal of approximately S\$1.5 million, this is largely an accounting loss which has limited (or no) cash flow impact on the Group

5

The S\$19.5 million cash received from the Disposal would **enhance the Group's financial flexibility** and **allow access to a wider pool of investment opportunities**

6

The Disposal is **in line with the investment objectives of the Company's principal business** which is to acquire and divest businesses to maximise shareholder value

The Disposal – Seeking Shareholders’ Ratification

| Intraco’s Interest | | |
|--------------------------|------------------|--|
| 86,645,000 DCL Shares | <u>OR</u> | 41.27% total issued and paid-up share capital of DCL |

| Offer Price | Consideration | Final Closing Date |
|---|--|----------------------------|
| S\$0.225 for each DCL offer share | S\$19.5 million aggregate consideration that the Company has received | 27 July 2020; 5.30 p.m. |

- On 22 June 2020, Offer turned unconditional
- On 23 June 2020, the Company announced acceptance of the Offer
- Accordingly, the Company’s DCL Shares were transferred to the Offeror and DCL ceased to be an associated company of the Company.

Pursuant to the Waiver, the Company is required to seek the approval of the Shareholders for the Disposal by way of ratification



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Resolution

RATIFICATION OF THE DISPOSAL OF 86,645,000 ORDINARY SHARES REPRESENTING 41.27% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF DYNAMIC COLOURS LIMITED TO DYNAMIC TECHNOLOGY PTE. LTD.



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Recommendation by Directors

The Directors, having considered and reviewed, among other things, the rationale for the Disposal and the financial effects of the Disposal, are of the opinion that the Disposal is in the interests of the Company and accordingly recommend that Shareholders **vote in favour** of the Ordinary Resolution.

Use of Proceeds

Net Proceeds Arising From Disposal

approximately **S\$19,350,000**

Net Proceeds from the Disposal intended to be used for:

- (a) exploration of investments including increasing the Group's presence in markets in which the Group operates in or expansion into new high growth markets;
- (b) acquisitions of businesses and assets and entry into strategic alliances and/or joint ventures;
- (c) payment of any dividends to the Shareholders, where appropriate and in line with the requirements of Companies Act; and/or
- (d) general corporate and/or working capital purposes.

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THANK YOU