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

Half Year Financial Statement for the Period Ended 30/06/2008

1(a) Consolidated Statement of Profit and Loss

	Notes	S$'000		%
		30/06/08	30/06/07	Change
Turnover		179,329	191,600	(6.4)
Cost of sales		(170,883)	(183,357)	6.8
Gross profit		8,446	8,243	2.5
Other income	(i)	701	875	(19.9)
Distribution expenses		(1,953)	(1,827)	(6.9)
Administration expenses		(6,540)	(5,648)	(15.8)
Other expenses		(188)	-	n.m.
Results from operating activities		466	1,643	(71.6)
Finance income	(ii)	964	2,102	(54.1)
Finance expense	(iii)	(329)	(350)	6.0
Net finance income		635	1,752	(63.8)
Share of loss of an associate (net of tax)		(27)	(105)	(74.3)
Profit before income tax		1,074	3,290	(67.4)
Income tax expense	(iv)	(149)	(258)	42.2
Profit for the period	(v)	925	3,032	(69.5)
Attributable to :				
Equity holders of the Company		736	2,461	(70.1)
Minority interests		189	571	(66.9)
Profit for the period		925	3,032	(69.5)

n.m.: not meaningful

Notes: -

(i) Includes the following:

S$'000	
30/06/08	30/06/07
390	513

(ii) Includes the following:

S$'000	
30/06/08	30/06/07
23	-
941	535
-	1,567

(iii) Includes the following:

S$'000	
30/06/08	30/06/07
329	335
-	15

(iv) Taxation includes:

S$'000	
30/06/08	30/06/07
130	258
19	-

(v) Includes the following:

S$'000	
30/06/08	30/06/07
(176)	(130)
(2,004)	(2,091)
(123)	(222)
(41)	(23)

1(b)(i) Balance sheets

	Notes	Group 30/06/08 $'000	Group 31/12/07 $'000	Company 30/06/08 $'000	Company 31/12/07 $'000
Non-current assets					
Property, plant and equipment	(a)	**10,848**	12,749	**500**	499
Intangible assets		**545**	417	**-**	-
Subsidiaries		**-**	-	**51,423**	54,122
Amount due from a subsidiary		**-**	-	**3,631**	3,826
Associates		**2,064**	1,495	**1,500**	1,500
Other investments	(b)	**2,109**	2,290	**2,102**	2,290
		15,566	16,951	**59,156**	62,237
Current assets					
Other investments		**153**	162	**-**	-
Inventories	(c)	**25,564**	34,837	**4,138**	2,368
Trade and other receivables		**52,707**	49,838	**10,110**	10,754
Amounts owing by subsidiaries		**-**	-	**7,518**	9,390
Loan due from an associate		**400**	400	**400**	400
Tax receivable		**966**	912	**2,480**	660
Cash and cash equivalents		**30,272**	35,664	**17,474**	13,121
		110,062	121,813	**42,120**	36,693
Total assets		**125,628**	138,764	**101,276**	98,930
Share capital and reserves					
Share capital		**81,874**	81,874	**81,874**	81,874
Other reserves		**2,006**	2,894	**7,113**	6,976
Accumulated losses		**(9,596)**	(10,332)	**(5,749)**	(5,534)
		74,284	74,436	**83,238**	83,316
Minority interests		**3,292**	3,285	**-**	-
Total equity		**77,576**	77,721	**83,238**	83,316
Non-current liabilites					
Financial liabilities		**22**	26	**-**	-
Current liabilities					
Trade and other payables	(d)	**34,640**	41,903	**9,270**	5,826
Amounts owing to subsidiaries		**-**	-	**7,504**	8,512
Financial liabilities	(e)	**13,113**	18,748	**1,264**	1,276
Current tax payable		**277**	366	**-**	-
		48,030	61,017	**18,038**	15,614
		125,628	138,764	**101,276**	98,930

Notes:

(a) Decrease due to depreciation of infrastructure costs for North East Line Radio Wave project.

(b) Reduction due to fair valuation of an investment.

(c) Reduction due to stockholding of seasonal products.

(d) The decrease in trade and other payables is in line with the reduction in inventory.

(e) Decrease due to settlement of trust receipts on maturity.

1(b)(ii) Group Borrowings

Amount repayable in one year or less, or on demand

As at 30/06/08	
Secured	Unsecured
S$'000	S$'000
8	13,105

As at 31/12/07	
Secured	Unsecured
S$'000	S$'000
7	18,741

Amount repayable after one year

As at 30/06/08	
Secured	Unsecured
S$'000	S$'000
22	-

As at 31/12/07	
Secured	Unsecured
S$'000	S$'000
26	-

Details of any collateral

The secured borrowings are outstanding obligations under a finance lease.

1(c) Consolidated Statement of Cash Flows

	Group	
	30/06/08 S$'000	30/06/07 S$'000
Operating activities		
Profit for the period	**925**	3,032
Adjustments for:		
Depreciation	**1,995**	2,095
Amortisation of Intangible assets	**9**	(4)
Loss on disposal of property, plant and equipment	**-**	3
Property, plant and equipment written off	**2**	-
Share-based expenses of a subsidiary	**(25)**	211
Loss on fair valuation of financial assets	**188**	-
Share of loss of an associate, net of tax	**27**	105
Net finance income	**(635)**	(1,752)
Income tax expense	**149**	258
	2,635	3,948
Changes in working capital:		
Inventories	**9,289**	1,454
Trade and other receivables	**(2,604)**	(3,358)
Trade and other payables	**(8,153)**	(9,573)
Cash generated from / (used in) operations	**1,167**	(7,529)
Income taxes paid	**(293)**	(293)
Interest received	**931**	497
Interest paid	**(287)**	(156)
Cash flows from operating activities	**1,518**	(7,481)
Investing activities		
Dividend received	**23**	-
Distribution from investments	**-**	1,551
Investment in an associate	**(596)**	-
Payment for development cost on intangible assets	**(161)**	(162)
Purchase of property, plant and equipment	**(203)**	(258)
Proceeds from sale of property, plant and equipment	**95**	6
Cash flows from investing activities	**(842)**	1,137
Financing activities		
Proceeds from borrowings	**5,654**	10,077
Repayment of borrowings	**(11,289)**	-
Dividend paid by the Company	**-**	(2,002)
Payment of finance lease liabilities	**(4)**	-
Dividend paid by a subsidiary to minority shareholder	**-**	(735)
Cash flows from financing activities	**(5,639)**	7,340
Net (decrease) / increase in cash and cash equivalents	**(4,963)**	996
Cash and cash equivalents at beginning of the period	**35,664**	38,438
Effects of exchange rate changes on balances held in foreign currency	**(429)**	27
Cash and cash equivalents at end of the period	**30,272**	39,461

1(d)(i) Statement of Changes in Shareholders' Equity:

Group (S$'000)	Share capital	Share option reserve *	Capital reserve *	Foreign currency translation reserve *	Fair value reserve *	Accumulated losses	Total attributable to equity holders of the Company	Minority interest	Total equity
As at 1 Jan 2008	81,874	156	3,364	(298)	(328)	(10,332)	74,436	3,285	77,721
Translation difference arising on consolidation	-	-	-	(875)	-	-	(875)	(170)	(1,045)
Net losses recognised directly in equity	-	-	-	(875)	-	-	(875)	(170)	(1,045)
Net profit for the period	-	-	-	-	-	736	736	189	925
Total recognised income and expense for the period	-	-	-	(875)	-	736	(139)	19	(120)
Share-based expenses of a subsidiary	-	(13)	-	-	-	-	(13)	(12)	(25)
As at 30 Jun 2008	**81,874**	**143**	**3,364**	**(1,173)**	**(328)**	**(9,596)**	**74,284**	**3,292**	**77,576**
As at 1 Jan 2007	81,864	-	3,364	(108)	(305)	(10,105)	74,710	3,488	78,198
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	-	283	-	283	-	283
Translation difference arising on consolidation	-	-	-	20	-	-	20	15	35
Net gain recognised directly in equity	-	-	-	20	283	-	303	15	318
Net profit for the period	-	-	-	-	-	2,461	2,461	571	3,032
Total recognised income and expense for the period	-	-	-	20	283	2,461	2,764	586	3,350
Share-based expenses of a subsidiary	-	108	-	-	-	-	108	103	211
Final dividend paid of 2.03 cents per share, net of tax	-	-	-	-	-	(2,002)	(2,002)	-	(2,002)
Dividend paid by a subsidiary to minority shareholder	-	-	-	-	-	-	-	(735)	(735)
As at 30 Jun 2007	**81,864**	**108**	**3,364**	**(88)**	**(22)**	**(9,646)**	**75,580**	**3,442**	**79,022**

* These are non-distributable reserves.

1(d)(i) Statement of Changes in Shareholders' Equity: (cont'd)

Company (S$'000)	Share capital	Fair value reserve*	Accumulated loss	Total
As at 1 Jan 2008	81,874	6,976	(5,534)	83,316
Net change in fair value of available-for-sale financial assets, net of tax	-	137	-	137
Net gain recognised directly in equity	-	137	-	137
Net loss for the period	-	-	(215)	(215)
Total recognised income and expense for the period	-	137	(215)	(78)
As at 30 Jun 2008	**81,874**	**7,113**	**(5,749)**	**83,238**
As at 1 Jan 2007	81,864	5,164	(12,350)	74,678
Net change in fair value of available-for-sale financial assets, net of tax	-	1,155	-	1,155
Net gain recognised directly in equity	-	1,155	-	1,155
Net profit for the period	-	-	10,435	10,435
Total recognised income and expense for the period	-	1,155	10,435	11,590
Final dividend paid of 2.03 cents per share, net of tax	-	-	(2,002)	(2,002)
As at 30 Jun 2007	**81,864**	**6,319**	**(3,917)**	**84,266**

* These are non-distributable reserves.

1(d)(ii) Changes in Company's Share Capital

As at 30 June 2008, there were unexercised options for 979,000 (30 June 2007: 1,052,000) of unissued ordinary shares with exercise price of $0.50 each under the Intraco Limited Share Option Scheme 2000.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	As at 30/06/08	As at 31/12/07
Total number of issued shares excluding treasury shares	98,635,879	98,635,879

1(d)(iv) Statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

The Company does not have any treasury shares as at 30th June 2008.

2 Audit

The figures have not been audited nor reviewed by our auditors.

3 Auditor's Report

Not applicable

4 Changes in Accounting Policies

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2007.

5 Earnings Per Ordinary Share (EPS)

	Group	
	Half Year 30/06/08	Half Year 30/06/07
Earnings per ordinary share for the year based on net profit attributable to shareholders:	cents	cents
(i) Based on number of ordinary shares on issue	0.75	2.50
(ii) On a fully diluted basis	0.75	2.50

6 Net Asset Value

	Group		Company	
	As at 30/06/08	As at 31/12/07	As at 30/06/08	As at 31/12/07
Net asset value per ordinary share based on issued share capital at the end of the period	$0.75	$0.75	$0.84	$0.84

7 Review of Performance

The Group's turnover in first half 2008 was S$179.3 million, a 6.4% decrease from the same period in 2007. This was due to weaker sales in the Industrial Materials sector especially for Petrochemical products and the weakening of the US dollar.

The profit after tax for the first half of the year was S$0.9 million compared to S$3.0 million in first half of 2007. Included in the 2007's profit after tax was a return of capital in an investment of S$1.6 million.

Turnover for Building Materials & Security Solutions sector improved by S$10.5 million to S$22.8 million (in comparison with S$12.3 million in the first half of 2007). The operating profit, at S$0.8 million, was marginally better than the same period in 2007.

The Industrial Materials sector recorded a lower turnover by S$37.6 million to S$74.9 million in the current reporting period as compared to the same period in 2007 at S$112.5 million. The reduction in turnover was mainly due to the weakened sales in some Petrochem products which was offset by improved performance in Plastics both in price and volume. The operating profit for first half 2008 was S$0.1 million as compared to S$0.9 million in the same period in 2007.

Turnover for the seafood and coffee businesses within the Agri-business & Foods sector for first half 2008 was S$14.7 million; marginally reduced from the S$15.0 million achieved in the same period in 2007. However the operating profit for the current reporting period was S$0.6 million as compared to an operating loss of S$0.2 million in same period last year. This was due to higher interest costs in 2007 to support the growth of the new seafood and coffee business.

Turnover for the Semiconductors sector was S$62.0 million in first half 2008 as compared to S$48.2 million in the same period last year. The increased sales was mainly from channel sales through aggressive promotions and incentives supported by our principal, AMD. The profit margin for first half saw a dip with the intensified competition for market share due to difficult market conditions. The sector generated an operating profit of S$0.5 million for the period, representing a 66% reduction from 2007's S$1.4 million.

8 Variance From Prospect Statement

Not applicable

9 Prospects

The Group's performance in the 2nd half of 2008 may be affected by continued competition in the semiconductors industry, volatile oil prices, weakness in the US$, and fluctuating commodity prices. However, the Group will continue to strengthen its selected businesses and market coverage.

10 Dividend

No final dividend was recommended for the present financial period.

11 Business Segmental Information

By industries for the period ended 30 June 2008

$'000	Building Materials & Security Solutions (excl. IWave)	Semi-conductors	Industrial Materials	Building Materials & Security Solutions (IWave only)	Energy & Enviornment	Agri-business & Food	Others	Consolidated
2008								
Segment revenue	22,844	62,049	74,944	3,022	1,752	14,718	-	179,329
Segment results	805	492	102	(11)	60	110	12	1,570
Unallocated expense								(496)
Profit before taxation								1,074
Taxation								(149)
Minority interests, net of taxes								(189)
Net Profit								**736**
Segment assets	11,531	26,451	12,255	13,139	1,140	20,629	-	85,145
Unallocated assets								40,483
Total assets								**125,628**
Segment liabilities	7,052	10,269	4,096	242	380	1,177	6	23,222
Unallocated liabilities								24,830
Total liabilities								**48,052**
Other segment information:								
Capital expenditure	-	276	6	-	-	-	82	364
Depreciation and amortisation	-	49	10	1,862	-	1	82	2,004

11 Business Segmental Information (cont'd)

By industries for the period ended 30 June 2007

$'000	Building Materials & Security Solutions (excl. IWave)	Semi-conductors	Industrial Materials	Building Materials & Security Solutions (IWave only)	Energy & Enviornment	Agri-business & Food	Others	Consolidated
2007								
Segment revenue	12,347	48,229	112,530	3,091	377	15,026	-	191,600
Segment results	776	1,423	780	57	(199)	9	7	2,853
Unallocated income								437
Profit before taxation								3,290
Taxation								(258)
Minority interests, net of taxes								(571)
Net profit								**2,461**
Segment assets	13,898	27,778	27,711	15,382	240	19,818	-	104,827
Unallocated assets								51,186
Total assets								**156,013**
Segment liabilities	7,785	15,732	8,368	116	130	9,284	13	41,428
Unallocated liabilities								35,563
Total liabilities								**76,991**
Other segment information:								
Capital expenditure	-	257	33	-	-	3	127	420
Depreciation and amortisation	-	18	12	1,874	-	-	187	2,091

12 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to section 7

13 Interested person transactions

Nil

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading.

BY ORDER OF THE BOARD

Lu Ling Ling
Company Secretary
12/08/2008