



**INTRACO Limited**

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

**Unaudited Half Year Financial Statement for the Period Ended 30/06/2010**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated income statement**

	Notes	Group Period Ended		% Change
		30/06/10 S\$'000	30/06/09 S\$'000	
Turnover		89,139	102,864	(13.3)
Cost of sales		(84,997)	(92,818)	(8.4)
<b>Gross profit</b>		<b>4,142</b>	<b>10,046</b>	(58.8)
Other income		1,282	1,711	(25.1)
Distribution expenses		(1,886)	(1,764)	6.9
Administration expenses		(3,947)	(4,099)	(3.7)
Other operating expenses		(118)	(5,967)	(98.0)
<b>Results from operating activities</b>		<b>(527)</b>	<b>(73)</b>	621.9
Finance income		314	823	(61.8)
Finance expense		(49)	(102)	(52.0)
Net finance income		265	721	(63.2)
Share of profit/(loss) of an associate (net of tax)		385	(92)	518.5
<b>Profit before income tax</b>		<b>123</b>	<b>556</b>	(77.9)
Income tax credit		1	289	(99.7)
<b>Profit for the period</b>		<b>124</b>	<b>845</b>	(85.3)
<b>Attributable to :</b>				
Equity holders of the Company		124	931	(86.7)
Minority interests		-	(86)	100.0
<b>Profit for the period</b>		<b>124</b>	<b>845</b>	(85.3)

1(a)(ii) Notes to the income statement

	Notes	Group Period Ended		% Change
		30/06/10 S\$'000	30/06/09 S\$'000	
<b>Profit is stated after crediting:</b>				
Commission income		503	584	(13.9)
Interest income		253	375	(32.5)
Dividend income from investments		56	390	(85.6)
Distribution from investments		5	58	(91.4)
Gain on disposal of investment		502	-	n.m.
Writeback of impairment of property, plant and equipment		-	1,056	(100.0)
<b>and after charging:</b>				
Interest expense		49	102	(52.0)
Depreciation and amortisation		2,750	2,308	19.2
Foreign exchange loss		281	275	2.2
Doubtful debts (write back) / allowance made		(21)	1,649	n.m.
(Write back) / Writedown of inventory to its net realisable value		(142)	4,053	n.m.
<b>Income tax includes:</b>				
Current year		-	(57)	(100.0)
Over provision in respect of prior years		(1)	(232)	n.m.

Note: (i) n.m. denotes not meaningful

(ii) Certain comparative figures have been reclassified to conform with the current period's presentation.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Consolidated statement of financial position

Notes	Group		Company	
	30/06/10 S\$'000	31/12/09 S\$'000	30/06/10 S\$'000	31/12/09 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	6,482	9,056	319	347
Intangible assets	185	140	-	-
Subsidiaries	-	-	28,615	30,318
Amount due from a subsidiary	-	-	3,631	3,631
Associates	13,958	14,016	10,993	10,993
Other investments	3,226	3,071	3,217	3,064
	<b>23,851</b>	<b>26,283</b>	<b>46,775</b>	<b>48,353</b>
<b>Current assets</b>				
Other investments	19	20	-	-
Inventories	11,878	11,821	312	565
Trade and other receivables	(a) 47,822	33,171	8,451	5,743
Amounts owing by subsidiaries	-	-	9,576	7,702
Loan due from an associate	400	400	400	400
Tax receivable	65	-	-	-
Cash and cash equivalents	(b) 24,385	35,768	17,097	22,426
	<b>84,569</b>	<b>81,180</b>	<b>35,836</b>	<b>36,836</b>
<b>Total assets</b>	<b>108,420</b>	<b>107,463</b>	<b>82,611</b>	<b>85,189</b>
<b>Share capital and reserves</b>				
Share capital	81,874	81,874	81,874	81,874
Other reserves	222	2,561	(2,949)	(1,223)
Accumulated losses	(4,622)	(6,074)	(6,233)	(5,831)
<b>Total equity</b>	<b>77,474</b>	<b>78,361</b>	<b>72,692</b>	<b>74,820</b>
<b>Non-current liabilities</b>				
Financial liabilities	6	10	-	-
<b>Current liabilities</b>				
Trade and other payables	(c) 27,148	23,380	3,843	4,284
Amounts owing to subsidiaries	-	-	6,076	6,085
Financial liabilities	(d) 3,753	5,641	-	-
Current tax payable	39	71	-	-
	<b>30,940</b>	<b>29,092</b>	<b>9,919</b>	<b>10,369</b>
	<b>108,420</b>	<b>107,463</b>	<b>82,611</b>	<b>85,189</b>

Notes:

- (a) Increase in trade and other receivables is mainly due to advance billing of S\$6.6 mil by a subsidiary and advance payment to suppliers of S\$4.4 mil.
- (b) The reduction in cash and cash equivalent is mainly due to increase in working capital.
- (c) The increase in trade and other payables is mainly due to the recognition of deferred revenue by a subsidiary arising from the advance billing mentioned in Note (a).
- (d) The decrease in financial liabilities is due to the settlement of trust receipts during the period.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand	As at 30/06/10		As at 31/12/09	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
	8	3,745	8	5,633

  

Amount repayable after one year	As at 30/06/10		As at 31/12/09	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
	6	-	10	-

Details of any collateral

The secured borrowings are outstanding obligations under a finance lease.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Cash Flows**

	Group	
	30/06/10 S\$'000	30/06/09 S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	124	845
Adjustments for:		
Depreciation	2,680	2,193
Amortisation of intangible assets	70	115
Loss on disposal of property, plant and equipment	-	(16)
Property, plant and equipment written off	-	3
Gain on disposal of investment	(502)	-
(Writeback)/allowance for doubtful debts and write down of inventory to its net realisable value	(163)	5,702
Writeback of impairment of property, plant and equipment	-	(1,056)
Share-based expense of a subsidiary	19	35
Share of (profit) / loss of associates, net of income tax	(385)	92
Net finance income	(265)	(721)
Income tax credit	(1)	(289)
	<b>1,577</b>	<b>6,903</b>
Changes in working capital:		
Inventories	85	5,805
Trade and other receivables	(14,583)	(6,873)
Trade and other payables	3,777	(4,842)
<b>Cash (used in) / generated from operating activities</b>	<b>(9,144)</b>	<b>993</b>
Interest paid	(47)	(101)
Interest received	41	147
Income taxes (paid) / refunded	(96)	1,129
<b>Net cash (used in) / from operating activities</b>	<b>(9,246)</b>	<b>2,168</b>
<b>Cash flows from investing activities</b>		
Dividend received	527	390
Distribution from investments	5	58
Payment for development cost on intangible assets	(116)	(72)
Purchase of property, plant and equipment	(246)	(317)
Proceeds from disposal of investment	502	-
Proceeds from sale of property, plant and equipment	137	23
<b>Net cash from investing activities</b>	<b>809</b>	<b>82</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,772	749
Repayment of borrowings	(3,660)	(2,562)
Payment of finance lease liabilities	(4)	(4)
Dividend paid by the Company	(986)	-
Deposits pledged	2,900	-
<b>Net cash from / (used in) financing activities</b>	<b>22</b>	<b>(1,817)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,415)</b>	<b>433</b>
Cash and cash equivalents at 1 January	32,868	32,538
Effects of exchange rate changes on balances held in foreign currency	(68)	63
<b>Cash and cash equivalents at 30 June</b>	<b>24,385</b>	<b>33,034</b>
Comprising:		
Cash at bank and in hand	9,541	16,900
Fixed deposits with banks	14,844	16,134
	<b>24,385</b>	<b>33,034</b>

1(d)(i)(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	30/06/10 S\$'000	30/06/09 S\$'000	% Change
Profit for the period	124	845	(85.3)
<b>Other comprehensive income</b>			
Change in fair value of available-for-sale financial assets	(24)	282	(108.5)
Translation difference relating to financial statements of foreign subsidiaries and associates	(20)	124	(116.1)
Share-based expenses of a subsidiary	19	35	(45.7)
<b>Other comprehensive income for the period, net of tax</b>	(25)	441	(105.7)
<b>Total comprehensive income for the period</b>	<b>99</b>	<b>1,286</b>	<b>(92.3)</b>
<b>Attributable to:</b>			
Equity holders of the Company	99	1,325	(92.5)
Minority interests	-	(39)	(100.0)
<b>Total comprehensive income for the period</b>	<b>99</b>	<b>1,286</b>	<b>(92.3)</b>

1(d)(i)(b) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity:**

Group (S\$'000)	Share capital	Share option reserve	Capital reserve	Currency translation reserve	Fair value reserve	Accumulated losses	Total attributable to equity holders of the Company	Minority interests	Total equity
As at 1 January 2010	81,874	168	3,453	(1,248)	188	(6,074)	78,361	-	78,361
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	124	124	-	124
<b>Other comprehensive income</b>									
Change in fair value of available-for-sale financial assets	-	-	-	-	(24)	-	(24)	-	(24)
Translation difference relating to financial statements of foreign subsidiaries and associates	-	-	-	(20)	-	-	(20)	-	(20)
Share-based expenses of a subsidiary	-	19	-	-	-	-	19	-	19
<b>Total other comprehensive income</b>	-	19	-	(20)	(24)	-	(25)	-	(25)
<b>Total comprehensive income for the period</b>	-	19	-	(20)	(24)	124	99	-	99
<b>Transactions with owners, recorded directly in equity</b>									
<b>Distributions to owners</b>									
Dividends paid	-	-	-	-	-	(986)	(986)	-	(986)
Total transaction with owners	-	-	-	-	-	(986)	(986)	-	(986)
Transfer of reserves	-	-	(2,314) *	-	-	2,314 *	-	-	-
As at 30 June 2010	81,874	187	1,139	(1,268)	164	(4,622)	77,474	-	77,474
As at 1 January 2009	81,874	178	3,364	(621)	-	(9,102)	75,693	3,138	78,831
<b>Total comprehensive income for the period</b>									
Profit for the period	-	-	-	-	-	931	931	(86)	845
<b>Other comprehensive income</b>									
Change in fair value of available-for-sale financial assets	-	-	-	-	282	-	282	-	282
Translation difference relating to financial statements of foreign subsidiaries and associates	-	-	-	94	-	-	94	30	124
Share-based expenses of a subsidiary	-	18	-	-	-	-	18	17	35
<b>Total other comprehensive income</b>	-	18	-	94	282	-	394	47	441
<b>Total comprehensive income for the period</b>	-	18	-	94	282	931	1,325	(39)	1,286
As at 30 June 2009	81,874	196	3,364	(527)	282	(8,171)	77,018	3,099	80,117

\* Comprises S\$2,337k transfer of capital reserves due to deconsolidation of a subsidiary, net of S\$23k transfer from accumulated profits of an associate.

**Statement of Changes in Equity (cont'd) :**

**Company (S\$'000)**

**As at 1 January 2010**

Share capital	Fair value reserve	Accumulated losses	Total equity
<b>81,874</b>	<b>(1,223)</b>	<b>(5,831)</b>	<b>74,820</b>

**Total comprehensive income for the period**

Profit for the period

-	-	584	584
-	(1,726)	-	(1,726)
-	(1,726)	-	(1,726)
-	(1,726)	584	(1,142)

**Other comprehensive income**

Change in fair value of available-for-sale financial assets

**Total other comprehensive income**

**Total comprehensive income for the period**

**Transactions with owners, recorded directly in equity**

**Distributions to owners**

Dividends paid

-	-	(986)	(986)
-	-	(986)	(986)

**Total transaction with owners**

**As at 30 June 2010**

<b>81,874</b>	<b>(2,949)</b>	<b>(6,233)</b>	<b>72,692</b>
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**As at 1 January 2009**

<b>81,874</b>	<b>7,631</b>	<b>(7,002)</b>	<b>82,503</b>
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**Total comprehensive income for the period**

Profit for the period

-	-	439	439
-	(6,133)	-	(6,133)
-	(6,133)	-	(6,133)
-	(6,133)	439	(5,694)
<b>81,874</b>	<b>1,498</b>	<b>(6,563)</b>	<b>76,809</b>

**Other comprehensive income**

Change in fair value of available-for-sale financial assets

**Total other comprehensive income**

**Total comprehensive income for the period**

**As at 30 June 2009**

**1(d)(ii) Details of any changes in the Company's Share Capital**

As at 30 June 2010, there were unexercised options for 639,000 (30 June 2009: 669,000) 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.**

	<u>As at 30/06/10</u>	<u>As at 31/12/09</u>
Total number of issued shares excluding treasury shares	<u>98,635,879</u>	<u>98,635,879</u>

**1(d)(iv) A 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 30 June 2010.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

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 2009.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

NIL

**6 Earnings Per Ordinary Share (EPS)**

Earnings per ordinary share for the year based on net profit attributable to shareholders:

(i) Based on number of ordinary shares on issue

(ii) On a fully diluted basis

Group	
Half Year 30/06/10	Half Year 30/06/09
cents	cents
0.13	0.94
0.13	0.94

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

Net asset value per ordinary share based on issued share capital at the end of the period

Group		Company	
As at 30/06/10	As at 31/12/09	As at 30/06/10	As at 31/12/09
\$0.79	\$0.79	\$0.74	\$0.76

8 **Review of Performance**

The Group's turnover in first half 2010 was S\$89.1 million as compared to S\$102.9 million for the same period in 2009. The decrease was mainly attributed to underperformance of the Semiconductors segment, the decrease in projects secured by the Projects segment in 2010 and a one-off billing in 2009 of S\$5.5 million for services rendered by a subsidiary.

The reduction in other operating expense of S\$5.8 million in first half 2010 as compared to the same period in 2009 was due to high provision for doubtful debts allowance of S\$1.6 million and write down of inventory to NRV of S\$4.1 million in 2009.

Profit after tax and minority interest for first half 2010 was S\$0.1 million as compared to S\$0.9 million for the same period in 2009. This was due mainly to higher losses suffered in the Semiconductors segment.

Projects

Turnover in the Projects segment was S\$8.8 million in first half 2010 as compared to S\$19.4 million for the same period in 2009 as fewer projects were secured in 2010.

Segment profit for first half 2010 was S\$0.3 million as compared to S\$1.0 million in the same period of 2009. This was in line with the lower turnover.

Semiconductors

Turnover in the Semiconductors segment for first half 2010 was S\$25.8 million as compared to S\$39.8 million for the same period in 2009.

Segment loss for first half 2010 was S\$1.2 million as compared to loss of S\$0.2 million in the same period in 2009. This was mainly due to lower turnover and shortfall in revenue of higher margin businesses.

Trading and others

Turnover in the Trading segment was S\$54.5 million for the first half of 2010 as compared to S\$43.6 million in the same period of 2009. The increase was due to higher plastics resin prices and increase in volume due to expanding sources of supply.

The Segment profit was S\$0.9 million for first half 2010 as compared to S\$0.4 million in the same period in 2009. This was attributed to higher turnover.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Although there is a general improvement in the economic outlook, the Group is likely to face challenges in the industries in which the Group is operating in. Hence the Group remains cautious on the business outlook for the next reporting period and the next 12 months.

11 **Dividend**

**(a) Current Financial Period Reported On**

No dividend was declared/recommended for the current financial period.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

No dividend was declared for the corresponding period of the preceding financial period.

- 12 **If no dividend has been declared/recommended, a statement to that effect.**

No dividend was declared/recommended for the current financial period reported on.

13 **Business Segmental Information**

**By operating segments for the period ended 30 June 2010**

<b>\$'000</b>	Projects	Semi-conductors	Trading and Others	Consolidated
External revenue	8,788	25,825	54,526	89,139
Interest revenue	-	1	1	2
Interest expense	-	(14)	(35)	(49)
Depreciation and amortisation	-	(135)	(2,575)	(2,710)
Reportable segment profit/(loss) before income tax	345	(1,188)	868	25
Reportable segment assets	5,690	14,073	38,112	57,875
Capital expenditure	-	176	175	351
Reportable segment liabilities	3,074	5,688	5,278	14,040

**By operating segments for the period ended 30 June 2009**

<b>\$'000</b>	Projects	Semi-conductors	Trading and Others	Consolidated
External revenue	19,407	39,812	43,645	102,864
Interest revenue	29	1	121	151
Interest expense	-	(25)	(77)	(102)
Depreciation and amortisation	-	(212)	(2,014)	(2,226)
Reportable segment profit/(loss) before income tax	984	(177)	433	1,240
Reportable segment assets	10,248	19,749	46,462	76,459
Capital expenditure	-	141	189	330
Reportable segment liabilities	4,483	6,333	5,564	16,380

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	<b>30/06/10</b>	<b>30/06/09</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Total revenue for reporting segments	89,139	102,864
Consolidated revenue	89,139	102,864
<b>Profit or loss</b>		
Total (loss)/profit for reporting segments	25	1,240
Unallocated amounts:		
- Other corporate income or expenses	(287)	(592)
Share of profit/(loss) of associates, net of tax	385	(92)
Consolidated profit before income tax	123	556
<b>Assets</b>		
Total assets for reportable segments	57,875	76,459
Other unallocated amounts	36,587	40,453
	94,462	116,912
Investments in associates	13,958	1,991
Consolidated total assets	108,420	118,903
<b>Liabilities</b>		
Total liabilities for reporting segments	14,040	16,380
Other unallocated amounts	16,906	22,406
Consolidated total liabilities	30,946	38,786

**Business Segmental Information (cont'd)**

**Other material items**

	<b>Reportable segment totals \$'000</b>	<b>Adjustments \$'000</b>	<b>Consolidated totals \$'000</b>
<b>2010</b>			
Interest revenue	2	251	253
Capital expenditure	351	11	362
Depreciation and amortisation	(2,710)	(40)	(2,750)
<b>2009</b>			
Interest revenue	151	224	375
Capital expenditure	330	59	389
Depreciation and amortisation	(2,226)	(82)	(2,308)

- 14 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 8
- 15 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**

**Annie Wong Sook Cheng**  
Company Secretary  
05/08/2010