



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

**Unaudited Financial Statement for the Half-year Ended 30/06/2014**

**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	Group Period Ended		% Change
	30/06/14 S\$'000	30/06/13 S\$'000	
Revenue	68,374	63,781	7.2
Cost of sales	(66,776)	(61,871)	7.9
<b>Gross profit</b>	<b>1,598</b>	<b>1,910</b>	(16.3)
Other income	138	1,513	(90.9)
Distribution expenses	-	(44)	(100.0)
Administration expenses	(3,225)	(3,393)	(5.0)
Other expenses	(53)	-	n.m
<b>Results from operating activities</b>	<b>(1,542)</b>	<b>(14)</b>	n.m
Finance income	547	111	392.8
Finance costs	(77)	(78)	n.m
<b>Net finance income</b>	<b>470</b>	<b>33</b>	n.m
Share of profit of associate and joint venture (net of tax)	486	370	31.4
<b>(Loss)/Profit before tax</b>	<b>(586)</b>	<b>389</b>	(250.6)
Tax expense	-	-	n.m
<b>(Loss)/Profit for the period</b>	<b>(586)</b>	<b>389</b>	(250.6)

n.m.- Not meaningful.

The profit/(loss) for the year is stated after (charging) / crediting the following:

Notes	Group Period Ended		% Change
	30/06/14 S\$'000	30/06/13 S\$'000	
Interest income (1)	55	69	(20.3)
Distribution from other investments	-	42	(100.0)
Gain on sale of property, plant and equipment	-	4	(100.0)
Gain on disposal of investments (2)	492	-	n.m.
Interest expense from loans and borrowings	(77)	(78)	n.m.
Depreciation of property, plant and equipment (3)	(300)	(219)	37.0
Foreign exchange (losses)/gains (4)	(36)	220	n.m.
Write-back of inventory to net realisable value	-	1,103	(100.0)

Notes to Consolidated Statement of Comprehensive Income

- (1) Interest income decreased due to a decline in interest rate on short term deposits in HY2014.
- (2) A gain of S\$492,000 was recorded following the disposal of a non-core investment in HY2014.
- (3) Depreciation charges increased due to higher capital expenditure incurred in respect of the office relocation in the second half of FY2013.
- (4) The foreign exchange loss of S\$36,000 arose from the strengthening of the SGD against the USD during the period under review.

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.

Statements of financial position

	Notes	Group		Notes	Company	
		30/06/14	31/12/13		30/06/14	31/12/13
		S\$'000	S\$'000		S\$'000	S\$'000
<b>Assets</b>						
Property, plant and equipment	(a)	1,874	2,174		721	816
Subsidiaries		-	-		15,037	14,870
Associate and joint venture	(b)	17,725	17,010	(b)	16,805	14,542
Other investments		-	1,082		-	1,082
<b>Non-current assets</b>		<b>19,599</b>	<b>20,266</b>		<b>32,563</b>	<b>31,310</b>
Inventories	(c)	245	459		123	87
Trade and other receivables	(d)	12,076	9,498		2,856	3,260
Cash and cash equivalents		54,099	51,303		25,933	26,962
<b>Current assets</b>		<b>66,420</b>	<b>61,260</b>		<b>28,912</b>	<b>30,309</b>
<b>Total assets</b>		<b>86,019</b>	<b>81,526</b>		<b>61,475</b>	<b>61,619</b>
<b>Equity</b>						
Share capital		81,919	81,919		81,919	81,919
Reserves		(1,355)	(484)		1,391	1,755
Accumulated losses		(19,988)	(19,402)		(23,458)	(24,087)
<b>Total equity</b>		<b>60,576</b>	<b>62,033</b>		<b>59,852</b>	<b>59,587</b>
<b>Liabilities</b>						
Trade and other payables	(d)	10,728	7,570		1,459	1,868
Provisions		164	164		164	164
Loans and borrowings	(e)	14,551	11,759		-	-
<b>Current liabilities</b>		<b>25,443</b>	<b>19,493</b>		<b>1,623</b>	<b>2,032</b>
<b>Total equity and liabilities</b>		<b>86,019</b>	<b>81,526</b>		<b>61,475</b>	<b>61,619</b>

Notes:

- (a) The decrease in property, plant and equipment was due to additional depreciation charges in respect of new office renovation incurred in FY2013.
- (b) In May 2014, the Company invested an additional USD1.8m in its joint venture company, Tat Hong Intraco Pte Ltd.
- (c) The decrease in inventories was due to a lower level of inventories in plastics.
- (d) The increase in Trade & Other receivables and Trade & Other payables were in line with the increase in sales and purchases.
- (e) The increase in loans and borrowings was due mainly to higher usage of trade financing facilities at the end of 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 30/06/14	
Secured	Unsecured
S\$'000	S\$'000
-	14,551

As at 31/12/13	
Secured	Unsecured
S\$'000	S\$'000
-	11,759

Amount repayable after one year

As at 30/06/14	
Secured	Unsecured
S\$'000	S\$'000
-	-

As at 31/12/13	
Secured	Unsecured
S\$'000	S\$'000
-	-

Details of any collateral

NIL

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**

	<b>Group</b>	
	<b>30/06/14</b>	<b>30/06/13</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	(586)	389
Adjustments for:		
Depreciation of property, plant and equipment	300	219
Gain on sale of property, plant and equipment	-	(4)
Write-back of inventory to net realisable value	-	(1,103)
Share of profit of associates and joint venture, net of tax	(486)	(370)
Net finance income	(470)	(33)
	<u>(1,242)</u>	<u>(902)</u>
Change in inventories	214	3,172
Change in trade and other receivables	(2,458)	1,938
Change in trade and other payables	3,267	(3,739)
Change in provisions	-	(91)
	<u>(219)</u>	<u>378</u>
Interest received	63	73
Interest paid	(81)	(79)
<b>Net cash flows (used in)/generated from operating activities</b>	<u>(237)</u>	<u>372</u>
<b>Cash flows from investing activities</b>		
Distribution received from other investments	-	42
Additional investment in associate and joint venture	(2,263)	(3,742)
Proceeds from repayment of loan	-	142
Purchase of property, plant and equipment	-	(542)
Proceeds from sale of other investments	1,043	-
Deferred consideration received from sale of an associate	-	323
Dividends from an associate	1,707	942
Proceeds from sale of property, plant and equipment	-	3
Consideration received in advance on asset classified as held for sale	-	787
<b>Net cash flows from/(used in) investing activities</b>	<u>487</u>	<u>(2,045)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	14,551	7,971
Repayment of borrowings	(11,759)	(10,104)
<b>Net cash flows from/(used in) financing activities</b>	<u>2,792</u>	<u>(2,133)</u>
Net increase/(decrease) in cash and cash equivalents	3,042	(3,806)
Cash and cash equivalents at 1 January	51,303	49,139
Effects of exchange rate fluctuations on cash held	(246)	159
<b>Cash and cash equivalents at 30 June</b>	<u>54,099</u>	<u>45,492</u>
Comprising:		
Cash at bank and in hand	31,099	28,348
Fixed deposits with banks	23,000	17,144
Cash and cash equivalents in the statement of financial position	<u>54,099</u>	<u>45,492</u>

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	Group Period Ended		% Change
	30/06/14 S\$'000	30/06/13 S\$'000	
Profit/(Loss) for the period	(586)	389	(250.6)
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale financial assets	(531)	235	(326.0)
Foreign currency translation differences of foreign operations	(340)	470	(172.3)
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(871)</b>	<b>705</b>	<b>(223.5)</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>(871)</b>	<b>705</b>	<b>(223.5)</b>
<b>Total comprehensive income for the period</b>	<b>(1,457)</b>	<b>1,094</b>	<b>(233.2)</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.

**Consolidated statement of changes in equity**

Group (S\$'000)	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2014	81,919	986	(2,001)	531	(19,402)	62,033
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(586)	(586)
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	(531)	-	(531)
Foreign currency translation differences of foreign operations	-	-	(340)	-	-	(340)
<b>Total other comprehensive income</b>	-	-	(340)	(531)	-	(871)
<b>Total comprehensive income for the period</b>	-	-	(340)	(531)	(586)	(1,457)
<b>As at 30 June 2014</b>	<b>81,919</b>	<b>986</b>	<b>(2,341)</b>	<b>-</b>	<b>(19,988)</b>	<b>60,576</b>
<b>As at 1 January 2013</b>	<b>81,919</b>	<b>986</b>	<b>(2,617)</b>	<b>249</b>	<b>(20,545)</b>	<b>59,992</b>
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	389	389
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	235	-	235
Foreign currency translation differences of foreign operations	-	-	470	-	-	470
<b>Total other comprehensive income</b>	-	-	470	235	-	705
<b>Total comprehensive income for the period</b>	-	-	470	235	389	1,094
<b>As at 30 June 2013</b>	<b>81,919</b>	<b>986</b>	<b>(2,147)</b>	<b>484</b>	<b>(20,156)</b>	<b>61,086</b>

**Statement of changes in equity**

Company (S\$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
<b>As at 1 January 2014</b>	<b>81,919</b>	<b>1,755</b>	<b>(24,087)</b>	<b>59,587</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	629	629
<b>Other comprehensive income</b>				
Net change in fair value of available-for-sale financial assets	-	(364)	-	(364)
<b>Total other comprehensive income</b>	<b>-</b>	<b>(364)</b>	<b>-</b>	<b>(364)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(364)</b>	<b>629</b>	<b>265</b>
<b>As at 30 June 2014</b>	<b>81,919</b>	<b>1,391</b>	<b>(23,458)</b>	<b>59,852</b>
<b>As at 1 January 2013</b>	<b>81,919</b>	<b>509</b>	<b>(23,888)</b>	<b>58,540</b>
<b>Total comprehensive income for the period</b>				
Loss for the period	-	-	(108)	(108)
<b>Other comprehensive income</b>				
Net change in fair value of available-for-sale financial assets	-	685	-	685
<b>Total other comprehensive income</b>	<b>-</b>	<b>685</b>	<b>-</b>	<b>685</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>685</b>	<b>(108)</b>	<b>577</b>
<b>As at 30 June 2013</b>	<b>81,919</b>	<b>1,194</b>	<b>(23,996)</b>	<b>59,117</b>

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

There are no changes in the Company's share capital since 31 December 2013.

No share options had been granted under the INTRACO Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding convertibles as at 30 June 2014.

**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 30/06/14</u>	<u>As at 31/12/13</u>
Total number of issued shares excluding treasury shares	<u>98,725,879</u>	<u>98,725,879</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 2014.

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

The figures have not been audited or reviewed.

**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 2013, except for the adoption of the new and revised Financial Reporting Standards (FRS) which become effective for the financial year beginning on or after 1 January 2014.

The following are the new or amended FRS that are relevant to the Group:

Revised FRS 27	Separate Financial Statements
Revised FRS 28	Investments in Associates and Joint Ventures
FRS 110	Consolidated Financial Statements
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 32	Offsetting of Financial Assets and Financial Liabilities

**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.**

The adoption of the new and revised accounting standards referred to in paragraph 4 did not give rise to any significant changes to the financial statements.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Group	
Period ended 30/06/14	Period ended 30/06/13
cents	cents
(0.59)	0.39

Earnings per ordinary share for the period based on net profit attributable to shareholders:  
- based on the weighted average number of ordinary shares in issue and on a fully diluted basis

The weighted average number of ordinary shares in issue for the year ended 30 June 2014 was 98,725,879 (30 June 2013: 98,725,879).

**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.**

Group		Company	
As at 30/06/14	As at 31/12/13	As at 30/06/14	As at 31/12/13
\$0.61	\$0.63	\$0.61	\$0.60

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

**8 Review of Performance**  
**Revenue**

Group revenue for HY2014 was S\$68.3 million, an increase of S\$4.6 million or 7.2% from HY2013.

With the supply shortage of plastic resin in FY2013 largely resolved, revenue from the Trading & Others segment increased by S\$4.8 million or 7.5% to S\$67.5 million in HY2014. There was no contribution from trading of other commodities for the period under review.

Revenue from the Projects segment decreased by S\$0.2 million to S\$0.9 million due to fewer projects secured during the period.

**Other income**

Other income comprised mainly write-off of trade payables of S\$91,000 in relation to a dispute with a supplier in 2008 and various government grants totalling S\$37,000.

**Administrative expenses**

Administration expenses decreased by S\$0.2 million or 5% to S\$3.2 million in HY2014. The decrease was due mainly to a reduction in professional fee of S\$0.4 million. The saving was partially offset by an increase in office-related expenses and depreciation charges totalling S\$0.2 million.

**Finance income**

Finance income increased by S\$0.4 million to S\$0.55 million in HY2014. It comprised gains from the disposal of non-core investment of S\$0.5 million and interest income of S\$55,000.

**Share of profit of associate and joint venture**

Share of profit & loss of associate and joint venture increased by S\$0.1 million to S\$0.5 million. It comprised share of profit from an associate of S\$0.6 million and share of loss from a joint venture of S\$0.1 million.

**Group profit before tax**

The Group reported a loss before tax of S\$0.60 million for HY2014.

The Trading and Others segment reported a profit before tax of S\$40,000 and the Projects segment reported a loss of S\$0.2 million for HY2014.

**Consolidated statement of cash flow**

The Group's cash and bank balances increased by S\$3.0 million or 5% to S\$54 million as at 30 June 2014.

Net cash flows generated from operating activities was negative S\$0.2 million as the S\$1.0 million derived from the change of working capital in HY2014 was insufficient to compensate for the operating loss and other adjustments.

The increase in revenue from the Plastics Division resulted in an increase in trade & other receivables of S\$2.5 million. Correspondingly, trade and other payables increased by S\$3.3 million as a result of higher purchases of plastics during the period.

Proceeds from borrowings totalled S\$14.6 million as a result of higher usage of trade financing facilities comprising mainly Trust Receipts and Invoice Financing.

Net cash flows from investing activities in HY2014 comprised proceeds from the sale of a non-core investment of S\$1.0 million and dividend income of S\$1.7 million, offset by additional investment in a joint venture of S\$2.3 million.

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

The Company had issued a profit warning announcement on 22 July 2014. The half-year results are in line with the disclosure made in the said profit warning announcement.

**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.**

The Group expects the business environment it operates in to remain challenging, in particular the Trading & Others segment because of the intense competition in the plastics industry.

The Group's joint venture company, Tat Hong Intraco Heavy Equipment Co., Ltd commenced its crane rental business in Myanmar in the month of June 2014.

On 8 May 2014, Intraco announced that it had entered into a term sheet to acquire a 70% interest in the KA Group. The Share Purchase Agreement was signed on 4 July 2014 and the transaction, subject to, inter alia, shareholders' approval, is expected to close by September 2014. This new acquisition will contribute positively to the Group.

Moving forward, the Group will continue to explore new business opportunities for growth and profitability by leveraging on its brand name and its established regional network.

**11 Dividend**

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

No dividend is 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 year.

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

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

**13 Business Segmental Information**

**By operating segments for the period ended 30 June 2014**

S\$'000	Projects	Trading and Others	Total
External revenue	868	67,506	68,374
Interest income	-	22	22
Interest expense	-	(77)	(77)
Depreciation and amortisation	-	(205)	(205)
Reportable segment (loss)/profit before tax	(165)	40	(125)
Reportable segment assets	365	41,158	41,523
Reportable segment liabilities	706	23,839	24,545

**By operating segments for the period ended 30 June 2013**

S\$'000	Projects	Trading and Others	Total
External revenue	1,042	62,739	63,781
Interest income	-	14	14
Interest expense	-	(78)	(78)
Depreciation and amortisation	-	(204)	(204)
Reportable segment (loss)/profit before tax	(53)	1,109	1,056
Reportable segment assets	722	31,657	32,379
Other material non-cash items:			
Write-back of inventory to net realisable value	-	(1,103)	(1,103)
Capital expenditure		2	2
Reportable segment liabilities	1,789	14,120	15,909

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

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

	30/06/14 S\$'000	30/06/13 S\$'000
<b>Revenue</b>		
Total revenue for reporting segments	68,374	63,781
<b>Profit or loss</b>		
Total (loss)/profit for reporting segments	(125)	1,056
Unallocated amounts:		
- Other corporate expenses, net of income	(947)	(1,037)
Share of profit of associate and joint venture, net of tax	486	370
Consolidated (loss)/profit for continuing operations before tax	<u>(586)</u>	<u>389</u>
<b>Assets</b>		
Total assets for reportable segments	41,523	32,379
Other unallocated amounts	26,771	30,550
	<u>68,294</u>	<u>62,929</u>
Investments in associates	17,725	16,246
Consolidated total assets	<u>86,019</u>	<u>79,175</u>
<b>Liabilities</b>		
Total liabilities for reporting segments	24,545	15,909
Other unallocated amounts	898	2,180
Consolidated total liabilities	<u>25,443</u>	<u>18,089</u>

**Other material items**

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
<b>30 June 2014</b>			
Interest income	22	33	55
Depreciation and amortisation	(205)	(95)	(300)
<b>30 June 2013</b>			
Interest income	14	55	69
Capital expenditure	2	540	542
Depreciation and amortisation	(204)	(15)	(219)
Write-back of inventory to net realisable value	1,103	-	1,103

- 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 paragraph 8.



15 **Interested person transactions**

<u>Name of Interested person</u>	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) <u>S\$'000</u>	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) <u>S\$'000</u>
Tat Hong Intraco Pte Ltd	2,263	-
Tat Hong Heavy Equipment (Pte) Ltd	<u>900</u>	<u>-</u>

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX Listing Manual.

16 **NEGATIVE ASSURANCE CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

The Board of Directors of Intraco Limited 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 in any material aspect.

On behalf of the Board of Directors,

Dr Tan Ng Chee  
Chairman & Lead Independent Director

Mr Foo Der Rong  
Managing Director & Chief Executive Officer

**BY ORDER OF THE BOARD**

**Yvonne Choo**  
Company Secretary  
11/08/2014