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

Unaudited Financial Statement for the Half-year Ended 30/06/2016

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**		
	30/06/16 S$'000	**30/06/15** S$'000	**%** Change
Revenue	43,348	58,560	(26.0)
Cost of sales	(38,609)	(53,020)	(27.2)
Gross profit	**4,739**	**5,540**	(14.5)
Other income	137	415	(67.0)
Distribution expenses	(34)	(30)	n.m.
Administration expenses	(6,165)	(5,327)	n.m.
Other expenses	(381)	(54)	n.m.
Results from operating activities	**(1,704)**	**544**	(413.2)
Finance income	320	328	(2.4)
Finance costs	(116)	(201)	(42.3)
Net finance income	**204**	**127**	60.6
Share of profit of associate and joint venture (net of tax)	851	690	23.3
(Loss)/Profit before tax	**(649)**	**1,361**	(147.7)
Tax credit/(expense)	58	(196)	(129.6)
(Loss)/Profit for the period	**(591)**	**1,165**	(150.7)

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

		Group Period Ended		
		30/06/16 S$'000	**30/06/15** S$'000	**%** Change
Interest income		320	328	(2.4)
(Loss)/gain on disposal of property, plant and equipment		(9)	11	(183.0)
Interest expense from loans and borrowings	(1)	(116)	(201)	(42.3)
Depreciation of property, plant and equipment		(475)	(542)	(12.3)
Amortisation of intangible assets		(150)	(149)	n.m.
Foreign exchange losses	(2)	(381)	(21)	n.m.
Write-back of trade payables	(3)	5	229	(97.8)
Write-back of inventory to net realisable value		-	12	(100.0)
Change in fair value of contingent consideration	(4)	(292)	85	(443.5)

Notes to Consolidated Statement of Comprehensive Income

(1) Interest expense decreased mainly due to the lower utilisation of trade financing facilities from banks.

(2) Foreign exchange losses pertain mainly from the receivables and cash balances that are denominated in USD and results from appreciation of SGD against USD during the period under review.

(3) The decrease in write-back of trade payable was mainly due to the absence of write-back of unclaimed trade payables of S$0.2 million recognised in 1H2015.

(4) The fair value of contingent consideration has increased due to the increase in exercise price of the put options for the remaining 30% equity interest in KA Group this period.

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

		Group			Company	
		30/06/16	31/12/15		30/06/16	31/12/15
	Notes	S$'000	S$'000	Notes	S$'000	S$'000
Assets						
Property, plant and equipment		**7,808**	8,281		**423**	524
Intangible assets and goodwill		**7,280**	7,429		**-**	-
Subsidiaries		**-**	-		**14,918**	14,657
Associate and joint venture	(a)	**19,929**	22,924		**17,060**	17,060
Other investments		**9,803**	9,785		**9,803**	9,785
Non-current assets		**44,820**	48,419		**42,204**	42,026
Other investments (incl derivatives)		**-**	-		**2,002**	2,309
Inventories		**1,361**	1,410		**-**	-
Trade and other receivables	(b)	**15,109**	16,353		**21,082**	20,180
Cash and cash equivalents	(c)	**30,486**	38,755		**9,097**	7,009
Current assets		**46,956**	56,518		**32,181**	29,498
Total assets		**91,776**	104,937		**74,385**	71,524
Equity						
Share capital		**84,069**	84,069		**84,069**	84,069
Reserves		**(645)**	310		**996**	716
Accumulated losses		**(18,493)**	(17,668)		**(22,925)**	(23,589)
Total equity		**64,931**	66,711		**62,140**	61,196
Liabilities						
Loans and borrowings		**1,949**	2,015		**-**	**-**
Trade and other payables		**6,521**	6,229		**-**	**-**
Deferred tax liabilities		**646**	701		**-**	**-**
Total non-current liabilities		**9,116**	8,945		**-**	-
Trade and other payables	(b)	**6,052**	7,157		**12,245**	10,073
Provisions		**-**	255		**-**	255
Loans and borrowings	(d)	**11,319**	21,398		**-**	-
Current tax payable		**358**	471		**-**	-
Current liabilities		**17,729**	29,281		**12,245**	10,328
Total liabilities		**26,845**	38,226		**12,245**	10,328
Total equity and liabilities		**91,776**	104,937		**74,385**	71,524

Notes:

(a) The decrease in associate and joint venture was due to the dividends received from an associate of S$2.8 million.

(b) The decrease in receivables and payables was attributable to the decrease in receivables and payables for plastic resin trading as a result of reduced sales and purchases in the first half of FY2016.

(c) The decrease in cash and cash equivalents was mainly due to the repayment of borrowings in the first half of FY2016.

(d) The decrease in loans and borrowings was mainly due to repayment of trade financing borrowings to banks in the first half of FY2016.

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

Amount repayable in one year or less, or on demand

As at 30/06/16		As at 31/12/15	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
134	11,185	145	21,253

Amount repayable after one year

As at 30/06/16		As at 31/12/15	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1,949	-	2,015	-

Details of any collateral

The secured bank loans of the Group are secured over the leasehold land and building with carrying amounts of S$6,501,000.

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**	
	30/06/16	**30/06/15**
Cash flows from operating activities	S$'000	S$'000
(Loss)/Profit for the period	**(591)**	1,165
Adjustments for:		
Depreciation of property, plant and equipment	**475**	542
Amortisation of intangible assets	**150**	149
Loss/(gain) on disposal of property, plant and equipment	**9**	(11)
Write-back of trade payables	**(5)**	(229)
Write-off of trade receivables	**-**	45
Write-down/(reversal of write-down) of inventory to net realisable value	**-**	(12)
Share of profit of associate and joint venture, net of tax	**(851)**	(690)
Change in fair value of contingent consideration	**292**	(85)
Net finance income	**(204)**	(127)
Tax (credit)/expense	**(58)**	196
	(783)	943
Changes in inventories	**49**	(747)
Changes in trade and other receivables	**1,244**	7,815
Changes in trade and other payables	**(1,355)**	(9,019)
	(845)	(1,008)
Interest received	**320**	328
Interest paid	**(116)**	(201)
Taxes paid	**(109)**	(124)
Net cash flow used in operating activities	**(750)**	(1,005)
Cash flows from investing activities		
Additional investment in associate & joint venture	**-**	(80)
Purchase of property, plant and equipment	**(29)**	(61)
Dividend from an associate	**2,816**	1,300
Proceeds from sale of property, plant and equipment	**18**	11
Acquisition of other investments	**-**	(808)
Net cash flows from investing activities	**2,805**	362
Cash flows from financing activities		
Proceeds from borrowings	**11,185**	11,735
Repayment of borrowings	**(21,300)**	(19,214)
Payment of finance lease liabilities	**(31)**	(56)
Dividends paid to selling shareholders of a subsidiary	**(234)**	-
Deposits pledged	**-**	(29)
Net cash flows used in financing activities	**(10,380)**	(7,564)
Net decrease in cash and cash equivalents	**(8,326)**	(8,207)
Cash and cash equivalents at 1 January	**38,605**	38,647
Effects of exchange rate fluctuations on cash held	**57**	(28)
Cash and cash equivalents at 30 June	**30,336**	30,412
Comprising:		
Cash at bank and in hand	**23,080**	19,180
Fixed deposits with banks	**7,406**	11,374
Cash and cash equivalents in the statement of financial position	**30,486**	30,554
Deposit pledged	**(150)**	(142)
	30,336	30,412

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

Consolidated statement of comprehensive income	Group Period Ended 30/06/16 S$'000	30/06/15 S$'000	% Change
(Loss)/Profit for the period	(591)	1,165	(150.7)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets	18	(79)	(122.2)
Foreign currency translation differences of foreign operations	(973)	278	(450.0)
Total items that may be reclassified subsequently to profit or loss	(955)	199	n.m.
Other comprehensive income for the period, net of tax	(955)	199	n.m.
Total comprehensive income for the period	(1,546)	1,364	n.m.

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 statements of changes in equity

Group (S$'000)	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2016	**84,069**	**1,052**	**(433)**	**(309)**	**(17,668)**	**66,711**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(591)	(591)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	18	-	18
Foreign currency translation differences of foreign operations	-	-	(973)	-	-	(973)
Total other comprehensive income	-	-	(973)	18	-	(955)
Total comprehensive income for the period	**-**	**-**	**(973)**	**18**	**(591)**	**(1,546)**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid to selling shareholders of a subsidiary*	-	-	-	-	(234)	(234)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(234)**	**(234)**
As at 30 June 2016	**84,069**	**1,052**	**(1,406)**	**(291)**	**(18,493)**	**64,931**
As at 1 January 2015	**84,069**	**1,037**	**(1,337)**	**(51)**	**(20,395)**	**63,323**
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,165	1,165
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(79)	-	(79)
Foreign currency translation differences of foreign operations	-	-	278	-	-	278
Total other comprehensive income	-	-	278	(79)	-	**199**
Total comprehensive income for the period	**-**	**-**	**278**	**(79)**	**1,165**	**1,364**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid to selling shareholders of a subsidiary*	-	-	-	-	(300)	(300)
Total contributions by and distributions to owners	-	-	-	-	(300)	(300)
As at 30 June 2015	**84,069**	**1,037**	**(1,059)**	**(130)**	**(19,530)**	**64,387**

* Pursuant to a Put Option entered into between the Group and the selling shareholders of KA Group on 5 September 2014 to acquire the remaining 30% in KA Group.

Consolidated statements of changes in equity (cont'd):

Company (S$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2016	**84,069**	**716**	**(23,589)**	**61,196**
Total comprehensive income for the period				
Profit for the period	**-**	-	664	664
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	**-**	280	-	280
Total other comprehensive income	-	280	-	280
Total comprehensive income for the period	**-**	**280**	**664**	**944**
As at 30 June 2016	**84,069**	**996**	**(22,925)**	**62,140**
As at 1 January 2015	84,069	1,078	(25,110)	60,037
Total comprehensive income for the period				
Loss for the period	-	-	(819)	(819)
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	(107)	-	(107)
Total other comprehensive income	-	(107)	-	(107)
Total comprehensive income for the period	**-**	**(107)**	**(819)**	**(926)**
As at 30 June 2015	**84,069**	**971**	**(25,929)**	**59,111**

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 2014.
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 share options as at 30 June 2016.

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 30/06/16	As at 31/12/15
Total number of issued shares excluding treasury shares	103,725,879	103,725,879

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 2016.

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 methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of a number of new/revised financial reporting standards (FRS) and interpretations applicable for the financial period beginning 1 January 2016.

The adoption of new/revised FRS and interpretations does not result in any signficant impact on the financial statements of the Group.

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.

Please refer to Item 4 above.

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 30/06/16	**Period ended 30/06/15**
Earnings per ordinary share for the period based on net profit attributable to shareholders:	cents	cents
- based on the weighted average number of ordinary shares in issue and on a fully diluted basis	(0.57)	1.12

The weighted average number of ordinary shares in issue for the period ended 30 June 2016 was 103,725,879 (30 June 2015: 103,725,879).

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 30/06/16	As at 31/12/15	As at 30/06/16	As at 31/12/15
Net asset value per ordinary share based on issued share capital at the end of the period	$0.63	$0.64	$0.60	$0.59

8 **Review of Performance**

Revenue

Group revenue in the first half of FY2016 ("1H2016") was S$43.3 million, a decrease of S$15.2 million or 26.0%, lower than S$58.6 million reported for the first half of FY2015 ("1H2015"), mainly due to lower revenue from the Trading segment.

Revenue from the Trading segment decreased by S$15.5 million, or 29.4%, from S$52.7 million in 1H2015 to S$37.2 million in 1H2016. The decrease was mainly due to a shortage of resin supplies in 1H2016. Revenue contribution from the Trading segment made up more than 85% of the Group's revenue for 1H2016.

Revenue from the Projects segment increased by S$0.3 million from S$5.8 million in 1H2015 to S$6.1 million in 1H2016. Revenue contribution from the Projects segment made up about 14% of the Group's revenue for 1H2016.

Gross profit

Gross profit decreased by S$0.8 million or 14.5% from S$5.5 million in 1H2015 to S$4.7 million in 1H2016, largely in tandem with the decrease in revenue.

Other income

Other income in 2016 mainly comprised government grants received of S$0.1 million.

Administrative expenses

Administrative expenses increased by S$0.9 million from S$5.3 million in 1H2015 to S$6.2 million in 1H2016. The increase was mainly due to the increase in value of the put option liability of S$0.3 million, increase in personnel related expenses of S$0.3 million and provision for various professional fees of S$0.3 million.

Finance income

Finance income maintained at S$0.3 million for both 1H2016 and 1H2015. It relates to the interest income derived from the available-for-sale debt securities purchased in previous years.

Share of profit of associate and joint venture

The Group's share of results from associate and joint venture increased by S$0.2 million or 23.3% from S$0.7 million in 1H2015 to S$0.9 million in 1H2016 mainly due to a higher contribution from the associate.

Group loss before tax

The Group registered a loss before tax of S$0.7 million in 1H2016 compared to a profit before tax of S$1.4 million in 1H2015. The loss incurred by the Trading segment and the increase in overhead more than offsetted the contribution from Project segment and share of profit of associate and joint venture of S$1.3 million and S$0.9 million respectively.

Tax credit

The tax credit recognised in 2016 was due to the reversal of overprovision in prior years.

Consolidated statement of cash flow

The Group's cash & bank balances decreased by S$8.3 million, or 21.3%, from S$38.8 million to S$30.5 million as at 30 June 2016.

Net cash flow used in operating activities amounted to S$0.8 million in 1H2016. The net cash used in the working capital of S$0.09 million was mainly due to the decrease in trade and other payables of S$1.4 million, which was partially offset by the decrease in trade and other receivables of S$1.2 million.

Net cash flow from investing activities amounted to S$2.8 million in 1H2016. This was attributable mainly to a dividend income of S$2.8 million received from an associate.

There was a net cash outflow in financing activities of S$10.4 million due mainly to the repayment of trade financing borrowings of S$21.3 million for the period, which was partially offset by the proceeds from trade financing borrowings of S$11.2 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 guidance announcement on 29 July 2016. The 1H2016 results are in line with the disclosure made in the said profit guidance.

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.

Crude oil prices and commodities market have been less volatile while outlook for key global economies remains challenging. The plastic resin industry has been impacted by declining revenues as a result of reduced tonnage allocation from suppliers. Against this backdrop, the Group expects its operating environment, particularly its plastic trading and construction businesses to be challenging in the next half year.

Intraco's Fire Protection Division is expected to continue to contribute to the Group.

Looking ahead, Intraco will continue to explore new business opportunities for growth.

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 2016

S$'000	Projects	Trading	Total
External revenue	6,131	37,217	43,348
Interest income	7	33	40
Interest expense	(48)	(68)	(116)
Depreciation and amortisation	(324)	(196)	(520)
Reportable segment profit/ (loss) before tax	1,255	(426)	829
Reportable segment assets	20,960	23,919	44,879
Other material non-cash items:			
Change in fair value of contingent consideration	292	-	292
Capital expenditure	27	-	27
Reportable segment liabilities	3,557	14,875	18,432

By operating segments for the period ended 30 June 2015

S$'000	Projects	Trading	Total
External revenue	5,838	52,722	58,560
Interest income	10	56	66
Interest expense	(36)	(165)	(201)
Depreciation and amortisation	(402)	(198)	(600)
Reportable segment profit before tax	1,488	38	1,526
Reportable segment assets	25,445	28,245	53,690
Reportable segment liabilities	5,973	15,659	21,632

Business Segmental Information (cont'd)

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

	30/06/16 S$'000	30/06/15 S$'000
Revenue		
Total revenue for reporting segments	43,348	58,560
Profit or loss		
Total profit for reporting segments	829	1,526
Unallocated amounts:		
- Other corporate expenses, net of income	(2,329)	(855)
Share of profit of associate and joint venture, net of tax	851	690
Consolidated (loss)/profit for continuing operations before tax	(649)	1,361
Assets		
Total assets for reportable segments	44,879	53,690
Other unallocated amounts	26,968	18,983
	71,847	72,673
Investments in associate and joint venture	19,929	19,266
Consolidated total assets	91,776	91,939
Liabilities		
Total liabilities for reporting segments	18,432	21,632
Other unallocated amounts	8,413	5,920
Consolidated total liabilities	26,845	27,552

Other material items	**Continuing operations**		
	Reportable segment totals	**Adjustments**	**Consolidated totals**
	S$'000	**S$'000**	**S$'000**
30 June 2016			
Interest income	40	280	320
Capital expenditure	27	2	29
Depreciation and amortisation	(520)	(105)	(625)
30 June 2015			
Interest income	66	262	328
Depreciation and amortisation	(600)	(91)	(691)

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**

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

16 **Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

17 **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,

Colin Low
Chairman & Independent Director

Tan Boon Wan
Independent Director

BY ORDER OF THE BOARD

Josephine Toh
Company Secretary
10/08/2016