



**INTRACO Limited**

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

**Unaudited Half Year Financial Statement for the Period Ended 30/06/2009**

**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**

	S\$'000		%
	30/06/09	30/06/08	Change
Turnover	102,864	179,329	(42.6)
Cost of sales	(92,818)	(170,883)	45.7
<b>Gross profit</b>	10,046	8,446	18.9
Other income	1,799	701	156.6
Distribution expenses	(1,764)	(1,953)	9.7
Administration expenses	(10,154)	(6,540)	(55.3)
Other expenses	-	(188)	n.m.
<b>Results from operating activities</b>	(73)	466	(115.7)
Finance income	823	964	(14.6)
Finance expense	(102)	(329)	69.0
Net finance income	721	635	13.5
Share of loss of an associate (net of tax)	(92)	(27)	240.7
<b>Profit before income tax</b>	556	1,074	(48.2)
Income tax credit / (expense)	289	(149)	294.0
<b>Profit for the period</b>	845	925	(8.6)
<b>Attributable to :</b>			
Equity holders of the Company	931	736	26.5
Minority interests	(86)	189	(145.5)
<b>Profit for the period</b>	845	925	(8.6)

n.m.: not meaningful

1(a)(ii) **Notes to the Income Statement**

(i) Includes the following:

Commission income  
Writeback of impairment on property, plant and equipment

S\$'000	
30/06/09	30/06/08
584	390
1,056	-

(ii) Includes the following:

Net foreign exchange loss  
Doubtful debts allowance made  
Writedown of inventory to net realisable values

S\$'000	
30/06/09	30/06/08
(275)	(176)
(1,649)	(123)
(4,053)	(41)

(iii) Includes the following:

Dividend income  
Interest income  
Distribution from investments

S\$'000	
30/06/09	30/06/08
390	23
375	941
58	-

(iv) Includes the following:

Interest expense

S\$'000	
30/06/09	30/06/08
102	329

(v) Taxation includes:

Current  
(Over)/under provision of income tax in respect of prior years

S\$'000	
30/06/09	30/06/08
(57)	130
(232)	19

(vi) Includes the following:

Depreciation and amortisation

S\$'000	
30/06/09	30/06/08
(2,308)	(2,004)

1(b)(i) A balance sheet (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	
		30/06/09 \$'000	31/12/08 \$'000	30/06/09 \$'000	31/12/08 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	(a)	10,819	11,646	401	427
Intangible assets		619	656	-	-
Subsidiaries		-	-	(g) 38,449	50,739
Amount due from a subsidiary		-	-	3,631	3,631
Associates		1,991	2,069	1,036	1,036
Other investments	(b)	3,064	2,585	3,057	2,577
		<b>16,493</b>	<b>16,956</b>	<b>46,574</b>	<b>58,410</b>
<b>Current assets</b>					
Other investments		19	19	-	-
Inventories	(c)	19,915	29,773	1,540	3,421
Trade and other receivables	(d)	48,942	43,712	9,136	7,771
Amounts owing by subsidiaries		-	-	8,966	9,361
Loan due from an associate		400	400	400	400
Tax receivable		100	983	9	660
Cash and cash equivalents		33,034	32,538	21,708	14,208
		<b>102,410</b>	<b>107,425</b>	<b>41,759</b>	<b>35,821</b>
<b>Total assets</b>		<b>118,903</b>	<b>124,381</b>	<b>88,333</b>	<b>94,231</b>
<b>Share capital and reserves</b>					
Share capital		81,874	81,874	81,874	81,874
Other reserves		3,315	2,921	1,498	7,631
Accumulated losses		(8,171)	(9,102)	(6,563)	(7,002)
		<b>77,018</b>	<b>75,693</b>	<b>76,809</b>	<b>82,503</b>
<b>Minority interests</b>					
		3,099	3,138	-	-
<b>Total equity</b>		<b>80,117</b>	<b>78,831</b>	<b>76,809</b>	<b>82,503</b>
<b>Non-current liabilities</b>					
Financial liabilities		14	18	-	-
<b>Current liabilities</b>					
Trade and other payables	(e)	30,152	35,075	5,439	5,770
Amounts owing to subsidiaries		-	-	6,085	5,958
Financial liabilities	(f)	8,549	10,363	-	-
Current tax payable		71	94	-	-
		<b>38,772</b>	<b>45,532</b>	<b>11,524</b>	<b>11,728</b>
		<b>118,903</b>	<b>124,381</b>	<b>88,333</b>	<b>94,231</b>

**Notes:**

- (a) The decrease in property, plant and equipment was due mainly to depreciation of infrastructure costs for North East Line Radio Wave project.
- (b) The increase in other investments was due to fair valuation of an investment.
- (c) The decrease in inventories was due to maintaining a lower stock level and and write down of inventory to its net realisable values following decrease in commodity prices.
- (d) The increase in trade and other receivables was mainly due to invoicing towards the end of the month.
- (e) The decrease in trade and other payables was mainly due to lesser purchases of inventory.
- (f) The decrease in financial liabilities due to settlement of trust receipts and repayment of short term loan.
- (g) The decrease in subsidiaries was due to repayment of loan of S\$5.9 million and fair valuation loss of S\$6.4 million.

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

Amount repayable in one year or less, or on demand	As at 30/06/09		As at 31/12/08	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
	8	8,541	8	10,355

  

Amount repayable after one year	As at 30/06/09		As at 31/12/08	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
	14	-	18	-

**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	
	30/06/09 S\$'000	30/06/08 S\$'000
<b>Operating activities</b>		
Profit for the period	845	925
Adjustments for:		
Depreciation	2,193	1,995
Amortisation of intangible assets	115	9
Loss on disposal of property, plant and equipment	(16)	-
Property, plant and equipment written off	3	2
Allowance for doubtful debts and write down of inventory to its net realisable value	5,702	164
Writeback of impairment of property, plant and equipment	(1,056)	-
Share-based expense of a subsidiary	35	(25)
Loss on fair valuation of financial assets	-	188
Share of loss of an associate, net of tax	92	27
Net finance income	(721)	(635)
Income tax expense	(289)	149
	<u>6,903</u>	<u>2,799</u>
Changes in working capital:		
Inventories	5,805	9,248
Trade and other receivables	(6,873)	(2,727)
Trade and other payables	(4,842)	(8,153)
<b>Cash generated from operations</b>	<u>993</u>	<u>1,167</u>
Interest paid	(101)	(293)
Interest received	147	931
Income taxes refund / (paid)	1,129	(287)
<b>Cash flows from operating activities</b>	<u>2,168</u>	<u>1,518</u>
<b>Investing activities</b>		
Dividend received	390	23
Distribution from investments	58	-
Investment in an associate	-	(596)
Payment for development cost on intangible assets	(72)	(161)
Purchase of property, plant and equipment	(317)	(203)
Proceeds from sale of property, plant and equipment	23	95
<b>Cash flows from investing activities</b>	<u>82</u>	<u>(842)</u>
<b>Financing activities</b>		
Proceeds from borrowings	749	5,654
Repayment of borrowings	(2,562)	(11,289)
Payment of finance lease liabilities	(4)	(4)
<b>Cash flows from financing activities</b>	<u>(1,817)</u>	<u>(5,639)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	433	(4,963)
Cash and cash equivalents at beginning of the year	32,538	35,664
Effects of exchange rate changes on balances held in foreign currency	63	(429)
<b>Cash and cash equivalents at end of the period</b>	<u>33,034</u>	<u>30,272</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**

With effect from 1 January 2009, FRS 1 *Presentation of Financial Statements*, requires an entity to present total comprehensive income (i.e. changes in equity during a period, other than those changes resulting from transactions with owners in their capacity as owners) in a Statement of Comprehensive Income.

	S\$'000		%
	30/06/09	30/06/08	Change
Profit for the period	845	925	(8.6)
Other comprehensive income			
Change in fair value of available-for-sale financial assets	282	-	n.m.
Translation difference arising on consolidation	124	(1,045)	111.9
Share-based expenses of a subsidiary	35	(25)	240.0
Other comprehensive income for the period, net of tax	441	(1,070)	141.2
<b>Total comprehensive income for the period</b>	<b>1,286</b>	<b>(145)</b>	<b>986.9</b>
<b>Attributable to:</b>			
Equity holders of the Company	1,325	(152)	971.7
Minority interests	(39)	7	(657.1)
<b>Total comprehensive income for the period</b>	<b>1,286</b>	<b>(145)</b>	<b>986.9</b>

n.m.: not meaningful

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 *	Foreign currency translation reserve *	Fair value reserve *	Accumulated losses	Total attributable to equity holders of the Company	Minority interests	Total equity
As at 1 January 2009	81,874	178	3,364	(621)	-	(9,102)	75,693	3,138	78,831
Total comprehensive income for the period	-	18	-	94	282	931	1,325	(39)	1,286
<b>As at 30 June 2009</b>	<b>81,874</b>	<b>196</b>	<b>3,364</b>	<b>(527)</b>	<b>282</b>	<b>(8,171)</b>	<b>77,018</b>	<b>3,099</b>	<b>80,117</b>
As at 1 January 2008	81,874	156	3,364	(298)	(328)	(10,332)	74,436	3,285	77,721
Total comprehensive income for the period	-	(13)	-	(875)	-	736	(152)	7	(145)
<b>As at 30 June 2008</b>	<b>81,874</b>	<b>143</b>	<b>3,364</b>	<b>(1,173)</b>	<b>(328)</b>	<b>(9,596)</b>	<b>74,284</b>	<b>3,292</b>	<b>77,576</b>

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

	Share capital	Fair value reserve*	Accumulated loss	Total
As at 1 January 2009	81,874	7,631	(7,002)	82,503
Total comprehensive income for the period	-	(6,133)	439	(5,694)
<b>As at 30 June 2009</b>	<b>81,874</b>	<b>1,498</b>	<b>(6,563)</b>	<b>76,809</b>
As at 1 January 2008	81,874	6,976	(5,534)	83,316
Total comprehensive income for the period	-	137	(215)	(78)
<b>As at 30 June 2008</b>	<b>81,874</b>	<b>7,113</b>	<b>(5,749)</b>	<b>83,238</b>

\* These are non-distributable reserves.

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

As at 30 June 2009, there were unexercised options for 669,000 (30 June 2008: 979,000) 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 30/06/09</u>	<u>As at 31/12/08</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 2009.

**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 our auditors.

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

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 2008, 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 2009. The adoption of these new and revised accounting standards did not give rise to any significant changes to the financial statements.

**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 paragraph 4.

**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.**

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 30/06/09	Half Year 30/06/08
cents	cents
0.94	0.75
0.94	0.75

**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 reported on

Group		Company	
As at 30/06/09	As at 31/12/08	As at 30/06/09	As at 31/12/08
\$0.78	\$0.77	\$0.78	\$0.84

## 8 Review of Performance

The Group's turnover in first half 2009 of S\$102.9 million was 42.6% lower than the S\$179.3 million reported for the same period in 2008. This was mainly due to lower sales reported for Trading sector and Semiconductors sector. The turnover for the first half was affected by the global economic slowdown and lower commodity prices.

Despite the lower turnover, the Group's gross profit showed growth by S\$1.6 million or 18.9% due to a one-off additional billing by one of its subsidiaries for services rendered of S\$5.5 million. Adjusted for this, the gross profit for first half 2009 compared to same period in 2008 showed a reduction by 53.8% which was in line with the reduced turnover.

The profit after tax and minority interests for the first half of the year was S\$0.9 million compared to S\$0.7 million in the first half of 2008.

Turnover for Projects was lower by S\$5.2 million or 21.1% than first half of 2008. Despite the lower turnover, the segmental profit, at S\$0.9 million was a 9.0% improvement over same period 2008 due to efforts taken in reduction of operating expenses.

Turnover for Semiconductors sector was S\$39.8 million in the first half of 2009 as compared to S\$62.0 million for the same period in 2008, a reduction of 35.8%. This was due mainly to increasing competition in the semiconductors industry resulting in a dip in the profit margin. The sector reported a loss of S\$0.15 million in first half of 2009 compared to a profit of S\$0.5 million for the same period in 2008, due to the pressure on profit margin and lower turnover.

The Trading and other sector recorded a lower turnover by S\$49.0 million to S\$43.6 million in the first half of 2009. The reduction in turnover was mainly due to lack of demand for minerals from customers and the softening in plastics resin prices. Despite the lower turnover, the sector reported a segmental profit of S\$0.3 million in the first half of 2009, an increase 27.7% compared to S\$0.2 million in the same period last year. Included in the sector was a one-off additional billing by one of its subsidiaries for services rendered of S\$5.5 million and a write back of impairment of property, plant and equipment of S\$1.1 million. This improvement was partially offset by write down of inventory to its net realizable values of S\$4.1 million and impairment provision on doubtful debts of S\$1.6 million made during the first half of 2009 as part of the Group's on-going process to review its inventories and receivables.

Other income was increased by S\$1.1 million due to the write back of provision for impairment of property, plant and equipment.

Administrative expenses increased by S\$3.6 million due to write down of inventory to its net realizable values of S\$4.1 million and impairment provision on doubtful debts of S\$1.6 million. This was partially offset by lower operating expenses due to efforts taken by the Group.

The net finance income increased by 13.5% as a result of interest rate cuts by financial institutions and lower financial liabilities of the Group.

## 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 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.

With the slowdown in global business environment and uncertainties of economic recovery, the Group expects the next 12 months to be challenging. The Group will remain vigilant and seek to improve its overall performance.

At the EGM on 24 Jul 2009, the shareholders of the Company approved the acquisition of 29.9% shares in Dynamic Colours Limited ("DCL"), a company listed on the Main Board of SGX-ST. The completion date of the acquisition was 31 Jul 2009. Thereafter, DCL will be a 29.9% associate of the Group.

## 11 Dividend

### (a) Current Financial Period Reported On

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

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

## 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**

With effect from 1 January 2009, *FRS 108 Operating Segments*, requires an entity to present the segment information based on components of the entity that management uses to make decisions about operating matters. This FRS requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker. As such, the Segment information has been revised to reflect the current basis of decisions making.

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

<b>\$'000</b>	Projects	Semi-conductors	Trading and Others	Group
<b>2009</b>				
Segment revenue	19,407	39,812	43,645	102,864
Segment results	943	(153)	272	1,062
Unallocated expense				(506)
<b>Profit before taxation</b>				556
Taxation				289
Minority interests, net of taxes				86
<b>Net Profit</b>				<b>931</b>
Segment assets	10,248	19,749	46,462	76,459
Unallocated assets				42,444
<b>Total assets</b>				<b>118,903</b>
Segment liabilities	4,483	6,333	5,564	16,380
Unallocated liabilities				22,406
<b>Total liabilities</b>				<b>38,786</b>
Other segment information:				
Capital expenditure	-	141	248	389
Depreciation and amortisation	-	212	2,096	2,308

**By operating segments for the period ended 30 June 2008**

<b>\$'000</b>	Projects	Semi-conductors	Trading and Others	Group
<b>2008</b>				
Segment revenue	24,596	62,049	92,684	179,329
Segment results	865	492	213	1,570
Unallocated income				(496)
<b>Profit before taxation</b>				1,074
Taxation				(149)
Minority interests, net of taxes				(189)
<b>Net profit</b>				<b>736</b>
Segment assets	12,671	26,451	46,023	85,145
Unallocated assets				40,483
<b>Total assets</b>				<b>125,628</b>
Segment liabilities	7,432	10,269	5,521	23,222
Unallocated liabilities				24,830
<b>Total liabilities</b>				<b>48,052</b>
Other segment information:				
Capital expenditure	-	276	88	364
Depreciation and amortisation	-	49	1,955	2,004

**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 pursuant to Rule 920(1)(a)**

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**  
**05/08/2009**