INTRACO Limited

annual report **2013**

POSITIONING FOR NEW OPPORTUNITIES

Contents

Positioning for New Opportunities

2013 was a year of rationalisation and consolidation for INTRACO. The Group streamlined its operations by disposing of non-core assets and refocusing its efforts on its primary businesses.

The Group also strengthened its Board composition with the appointment of two new Directors in August 2013 and March 2014, and put in place good corporate practices such as an Enterprise Risk Management Framework that governs the risk management process in the Group. The Group tightened its policies and procedures to ensure prudence in the areas of corporate decisions (which includes investments), operations and accounting.

With a strong balance sheet, a recognised brand name and an extensive regional network of suppliers and customers, INTRACO is well-positioned to capitalise on suitable opportunities presented by emerging regional markets, as well as those available in Singapore, that may achieve higher returns for its shareholders.

The Group already started this process in 2013 by entering into a joint venture that led to the incorporation of Tat Hong Intraco Heavy Equipment Co Ltd in February 2014, which is in the business of rental of cranes and other related business activities in Myanmar.

Corporate Profile

INTRACO was incorporated in 1968 by the Singapore government as a trading company to assist in Singapore's early industrialisation including the creation of export markets for locally manufactured products, the promotion of external trade and to source for competitively priced raw materials, commodities and manufactured goods for the domestic market.

INTRACO was successfully listed on the Singapore Exchange in December 1972. Over the years, it has evolved to meet the demands of the global marketplace, transforming into a leading trading company.

Today, the Group's focus is on two core business segments: Trading & Others and Projects. Its Trading & Others Segment is involved in the trading of plastics, telecommunications infrastructure and others; while its Projects Segment specialises in lightings.

As a result of its long history as a trading company, INTRACO has an established international network of partnerships and alliances. The Group has a strong regional footprint in ASEAN and China where it continues to leverage on its recognised brand name to grow its supplier and customer base.

Chairman's Statement

...creating a leaner and more agile INTRACO to better position ourselves for new opportunities

Dear Shareholders,

2013 was both a busy and challenging year for the Group. Challenging because of the tougher operating environment, and busy because we were creating a leaner and more agile INTRACO to better position ourselves for new opportunities.

It was a year of rationalisation and consolidation where operations were streamlined and good corporate practices were put in place. In doing so, we disposed of non-core assets and refocused on our core businesses. We also relocated to our new office at The JTC Summit and enhanced our Board composition. I am pleased to report the results of our efforts in the Annual Report and Financial Statements of INTRACO Limited for the year ended 31 December 2013 ("FY2013").

Year in review

In FY2013, the Group reversed its losses of the past two years with a net profit of $1.1 million which comprised several one-off gains including gains from the disposal of our 30% stake in an associate, gains in the form of a final distribution from a liquidated investment, as well as a substantial write-back from a subsidiary's sale of seafood inventory.

The Group also improved its net cash position by $2.2 million to $51.3 million, compared with the previous year ended 31 December 2012 ("FY2012"), which puts us in a very good position to seek opportunities for joint ventures and M&As.

In FY2013, the Group started the process of identifying investment prospects and in May last year, we launched a mandatory conditional cash offer for our listed associate Dynamic Colours Limited ("DCL"), which is mainly involved in the business of colour compounding and modified compounding of resins, and heavy-duty polyethylene packaging bags. Although we were not successful, we continue to hold a 40.7% interest in DCL.

The Group also made progress in the expansion of its regional presence. This was achieved through a joint venture with SGX-listed crane company Tat Hong Holdings Ltd and prominent Myanmar businessman Mr Aung Moe Kyaw. A 40%-associated company, Tat Hong Intraco Pte Ltd, was incorporated and it has in turn established Tat Hong Intraco Heavy Equipment Co Ltd in Myanmar, which is due to commence its crane rental and distribution business in May 2014. We believe that our investment in this joint venture will benefit from Myanmar's rising infrastructure needs as the country goes through a period of positive economic growth and reform.

At this juncture, I would like to stress that while the Group actively explores investment opportunities, we are also careful to ensure our acquisition targets are not overpriced and that they would contribute positively to our earnings and bring good returns to our shareholders. These investments must also reinforce the long term sustainability of the Group.

The Board together with management had evaluated many acquisition targets during the year which unfortunately failed to meet our investment criteria. We felt it would be prudent for us to hold out for truly opportune value-driven investment prospects. This approach has enabled us to retain a strong balance sheet that will keep us well-positioned to seize growth opportunities.

Business outlook

While world economic indicators are showing notable signs of improvement underscoring broader confidence in a global economic recovery, we are mindful that global investment prospects for 2014 are still susceptible to the knock-on effects of the tapering of monetary stimulus in the United States and the structural reforms taking place in China's economy. The Group maintains a cautious outlook because of intense competition in the industries and markets it operates in.

For the year ahead, we are looking to leverage on our established presence in the region – Hanoi and Ho Chi Minh, Vietnam, Shanghai, and Myanmar – and to tap into the contacts of our business affiliates as well as expand our network of contacts to capitalize on the region's growing infrastructure needs. We seek to identify and cement strategic partnerships with industry leaders with the knowledge and expertise of our business partners (as we did in Myanmar with prolific businessman Mr Aung Moe Kyaw) to allow us to break new ground in burgeoning sectors in the region.

Strengthening corporate leadership

In line with our growth strategy to expand our business network and portfolio both locally and regionally, we have made several appointments to strengthen our corporate leadership team.

We are pleased to add to the wealth of international business experience and connections already on our Board with the appointments of Mr Shabbir H Hassanbhai as an Independent Director in August 2013 and Mr Colin Low as Deputy Chairman and Independent Director in March 2014.

We also welcome a new addition to the executive team, Mr Yeo Choon Tat, who joined INTRACO as Group Financial Controller in January 2014.

We look forward to working closely with the new members of the Board and management team and to tap into their respective areas of expertise.

Acknowledgement

The recent two years have seen us through an inflexion point in our growth trajectory and we are thankful to have come out of this transition phase stronger with a refreshed outlook for our business.

For this, we credit all our stakeholders – our employees, shareholders and partners – for sharing our vision to establish INTRACO more firmly and broadly across the region as a trading group. We thank you for your patience while we sought to regroup and redefine ourselves in this rapidly changing business environment. We look forward to your continued support and trust in the coming years.

In conclusion, I would like to thank my fellow Directors, management team and all employees of the Group for their dedication and commitment to INTRACO.

Dr Tan Ng Chee
Chairman of the Board

Managing Director's Review

Dear Shareholders,

On behalf of the management team of INTRACO, it is my pleasure to present to you an account of the performance of our Group for the financial year ended 31 December 2013 ("FY2013").

Performance review and outlook

I am pleased to report that the evaluation and consolidation exercises we have undertaken for our operations have paid off in allowing us to turn our business around, as we successfully reversed the losses we incurred over the past two years with a net profit of $1.1 million for the Group in FY2013.

This was despite a decline of 20.6% in our FY2013 revenue to $127.9 million, compared with $161.2 million in the financial year ended 31 December 2012 ("FY2012"), which led to a fall in gross profit of 31.7% to $4.0 million, compared with $5.8 million the year before. We also improved our net cash position by $2.2 million to $51.3 million, compared with FY2012.

We attribute the improvement in INTRACO's net profit to our concerted efforts to regroup and streamline our operations over the past year, which resulted in several one-off gains credited to our bottom line. These include a final distribution of $863,000 received from an investment that was liquidated in FY2013; a gain of $63,000 from the disposal of an associate, which was classified as asset held for sale in FY2012; a foreign exchange gain of $214,000 from the strengthening of the US dollar against the Singapore dollar during the year under review; a $1.3 million write-back following the successful sale of seafood inventory by a subsidiary; and, the reversal of $218,000 as excess provision for claim following settlement with a customer.

The Group's share of profit of associates also rose by 21.7% to $1.0 million in FY2013, compared with $858,000 in the preceding year. This takes into account our share of profit from an associate of $1.1 million and share of loss from a newly formed joint venture of $46,000.

Trading & Others Segment

In FY2013, revenue from our Trading & Others Segment, engaged in the trading of plastics, seafood and telecommunications, saw a decline of 19.8% or $30.9 million, to $125.4 million.

The reduction in the segment's revenue was due mainly to a $21.6 million decrease in revenue from the Plastics Division as a result of a shortage of resin supplies in the first half of FY2013. The shortage of raw materials, coupled with the falling selling prices of plastic products, continued to impact sales in the second half of the year and further contributed to the decline in revenue in FY2013.

As a result of the write-back in seafood inventory to its net realisable value of $1.3 million, the segment ended the year with a profit before tax of $1.4 million, reversing the loss of $7.1 million in FY2012.

Projects Segment

The Projects Segment recorded lower revenue of $2.6 million in FY2013, compared with $4.8 million in FY2012. This was due mainly to fewer projects secured as a result of keen market competition.

This segment also reported a profit before tax of $0.5 million in FY2013 reversing the loss of $0.3 million in FY2012. This was due mainly to our recognition of a $0.4 million project profit and a write-back of provision for a claim of $0.2 million in FY2013.

New business interests

In FY2013, we raised our stake in an associate company, SGX-listed Dynamic Colours Limited ("DCL"), to 40.7%. As a major shareholder that is represented on the Board, we continue to work closely with the leadership of DCL in the best interests of the company and its shareholders.

Regionally, we made our first foray into the crane rental and distribution business by way of a joint venture with SGX-listed crane company Tat Hong Holdings Ltd and prominent Myanmar businessman Mr Aung Moe Kyaw.

Strengthened financial position

As at 31 December 2013, the Group's cash and cash equivalents stood at a healthy $51.3 million and cash per share was $0.52. Based on 98,725,879 ordinary shares in issue during the period, the Group's net asset value per share as at 31 December 2013 was $0.63, compared with $0.61 as at 31 December 2012. Earnings per ordinary share was 1.16 cents in FY2013, compared with a loss of 9.0 cents per share in FY2012.

Our healthy balance sheet, resulting from the cautious outlook and the prudent approach we had adopted on the investment front, will enable us to position ourselves for new opportunities and make truly value-driven strategic acquisitions in sustainable and scalable businesses in the future.

Outlook

The Group expects the business environment in 2014 to remain challenging because of the uncertain global economy and intense competition in the industries and markets we operate in. Without undertaking any unqualified risks, we will continue to seek and explore new growth opportunities that will enhance the profitability of our businesses, by leveraging on our brand name and established network in the region.

Paying it forward

Corporate social responsibility is important to INTRACO. As one of Singapore's pioneer trading companies that has benefitted from the country's early industrialisation in the 1970s, we believe strongly in giving back to society.

In September 2013, we had the privilege of participating in the Mid-Autumn Festival celebrations organised by the Teck Ghee Citizens' Consultative Committee as part of the People's Association community outreach efforts. Our staff was part of the team which created door gifts and balloon lanterns for Teck Ghee constituency's Mid-Autumn Festival celebrations at Bishan-Ang Mo Kio Park. The event had record participation with 1,208 Teck Ghee residents showing up to carry the balloon lanterns.

INTRACO also supported the National Day celebrations organised by the Teck Ghee Citizens' Consultative Committee on 3 August 2013. Our staff distributed helium-filled balloons to residents along the street parade which showcased various performances by Teck Ghee grassroots organisations, schools, voluntary welfare organisations and community partners as well as residents.

In 2014, INTRACO plans to continue its support of local community activities and we are currently in discussions with several parties on their programmes.

Appreciation

Our improved performance in FY2013 would not have been possible without the stewardship and valuable guidance of a reconstituted Board of Directors and the commitment of the management team. I am also thankful to all our staff for their hard work and support through our move to a brand new office at The JTC Summit in the second quarter of last year.

On behalf of the Board and the management team of INTRACO, I would also like to thank all our shareholders for supporting us and to take this opportunity to assure everyone that we will continue to put in our best efforts to bring INTRACO's growth to greater heights and unlock better shareholder value for all.

Foo Der Rong
Managing Director and Chief Executive Officer

Board of Directors

Back row from left: Mr Charlie Ng How Kiat, Mr Tony Chew Leong-Chee, Mr Roland Ng San Tiong, Mr Wong Meng Choong
Front row from left: Dr Tan Boon Wan, Mr Colin Low, Dr Tan Ng Chee, Mr Foo Der Rong, Mr Shabbir H Hassanbhai

Dr Tan Ng Chee
Chairman & Lead Independent Director

Dr Tan joined the Board of INTRACO Limited in December 2002 and was appointed as Chairman of the Board on 7 December 2012. Dr Tan was last re-elected as Director at INTRACO's Annual General Meeting on 25 April 2011. He also serves as Chairman of both the Nominating and Remuneration Committees and is a member of the Audit Committee.

Dr Tan had previously worked at JP Morgan's offices in New York, London, Kuala Lumpur, Singapore and Hong Kong where he was the Vice President and Regional Manager of Morgan's trust and investment business in Asia.

Dr Tan returned to Singapore in 1989 and became the Executive Vice President of Singapore's Overseas Union Bank and was responsible for the bank's treasury division and all its businesses and investments overseas.

Concurrently, he was also appointed Chief Executive of International Bank of Singapore Ltd and Chairman of OUB Bullion & Futures Ltd.

At present, he serves as an Independent Director on the boards of Hotung Investment Holdings Ltd and Prudential Assurance Company Singapore (Pte) Ltd (where he is the Chairman of the Audit Committee).

Dr Tan holds a Doctorate in Law from the University of Oxford. For a number of years until 2013 he was an Adjunct Professor of Law at the National University of Singapore Law School at which he taught a course on Comparative Corporate Governance to final year LLB and LLM law students, and was an examiner to Ph.D students in Company Law and Corporate Governance. Dr Tan also taught a similar course to postgraduate LLM students at the East China University of Politics and Law (formerly St John's University) in Shanghai, China.

Mr Colin Low Tock Cheong
Deputy Chairman & Independent Director

Mr Low was appointed to the Board as Deputy Chairman and Independent Director on 1 March 2014.

He is currently the President and Chief Executive Officer of boutique private equity firm, Singapore Investment Development Corporation (SIDC).

Prior to SIDC, Mr Low held several positions at General Electric ("GE") International, where he served as President & Regional Executive of GE Group including GE Capital, GE Technology Infrastructure, GE Energy Infrastructure, GE Home Solutions and NBC Universal. He was also the Board Director of GE's financial and investment holding group for the Asia Pacific region, GE Pacific Pte. Ltd., from the years 2005 to 2010. He was also the Board Director for GE Capital - Real Estate. In his early career at GE, he was the Managing Director & General Manager of GE Aviation – Aircraft Engines.

He also holds several key board affiliations including Vice-Chairman of the American Chamber of Commerce; ASEAN Council Board Member and certified International Board Director of INSEAD University; Independent Board Director of OSIM International; Advisory Board member of Spencer Stuart International; Senior Advisor to Europe-based private wealth management group, Four Partners; Member of the Singapore Government National Wages Council; and Committee Member of the Yellow Ribbon Project, which helps ex-offenders reintegrate into society.

Mr Low holds a Masters in Business Administration from Southern Illinois University Carbondale, United States of America. He also graduated from the Southern Illinois University with a Bachelor of Science in Management (Honors) and Bachelor of Science in Marketing (Honors) in 1985.

Mr Foo Der Rong
Managing Director & Chief Executive Officer

Mr Foo was appointed to the Board as Managing Director and Chief Executive Officer on 1 January 2013. Mr Foo was last re-elected as Director at INTRACO's Annual General Meeting on 29 April 2013. Prior to joining the Group, he was Managing Director and Chief Executive Officer of Hanwell Holdings Limited (formerly known as PSC Corporation Limited).

Mr Foo has more than 25 years of experience in business development, corporate restructuring, investment strategies and operations management in the fast-moving consumer goods, services and manufacturing industries.

He is currently an Independent Director of Pavillon Holdings Ltd (formerly known as Thai Village Holdings Ltd), a Non-Executive Director of Southern Lion Sdn Bhd and the Patron of Teck Ghee Community Club Management Committee.

He was an Executive Director of Tat Seng Packaging Group Ltd.

Mr Foo graduated with a Bachelor of Commerce degree from Nanyang University.

Dr Tan Boon Wan
Independent Director

Dr Tan has been an Independent Director of the Board since 5 October 2004. Dr Tan also serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. Dr Tan was last re-elected as Director at INTRACO's Annual General Meeting on 29 April 2013.

Dr Tan was formerly a Member of Parliament for the Ang Mo Kio GRC from 1997 to 2006, during which he served on the Government Parliamentary Committees for Education; Finance and Trade & Industry; and Information, Communication and the Arts. He was awarded the Public Service Medal (PBM) in 1993 for his contributions to the local community.

He also sits on the boards of Provenance Capital Pte Ltd, Concord Energy Pte Ltd, Daman Quattro Ltd and Hotung Investment Holdings Ltd.

Dr Tan holds a Doctorate in Physics and a Master's degree in Management from Imperial College at the University of London.

Mr Shabbir H Hassanbhai
Independent Director

Mr Hassanbhai was appointed to the Board as an Independent Director on 16 August 2013.

Mr Hassanbhai is a member of the Singapore-Oman Joint Committee under the Ministry of Foreign Affairs, a member of the Management Board of the Middle East Institute (National University of Singapore), a member of the ASEAN-India Business Council under the Ministry of Trade and Industry, Chairman Advisory Board of NTU-SBF Center of African Studies, Nanyang Business School and Singapore's Non-Resident High Commissioner to Nigeria since 2007.

Besides serving on the boards of his own companies in Singapore and Middle East and listed India-based container, rail and cold chain logistics group Gateway Distriparks Limited and its subsidiaries as an Independent Director, he is also presently serving in various capacities within the Singapore Business Federation ("SBF"), as Vice-Chairman of SBF, Co-Chairman of the Singapore-Oman Business Council, Chairman of the Africa Business Forum, and Chairman of the Middle East Business Group. He is also a Director on the Singapore Business Advisors and Consultants Council.

Mr Hassanbhai was conferred the Public Service Medal in 2010 and awarded the distinguished Long Service Award by the Ministry of Community Development, Youth and Sports (MCYS) in 2011 for his invaluable volunteer service to the community.

Mr Charlie Ng How Kiat
Non-executive Director

Mr Ng was appointed to the Board as a Non-executive Director on 22 November 2012. He is also a member of the Nominating and Remuneration Committees. Mr Ng was last re-elected as Director at INTRACO's Annual General Meeting on 29 April 2013.

He is presently the President and Executive Director of Macondray Holdings Pte Ltd, a subsidiary of Asia Resource Corporation, which focuses on investments in Indo-China and China. He also serves on the boards of Asia Resource Corporation and several of its subsidiaries.

Previously, Mr Ng held senior appointments in SGX-listed Boustead Singapore Ltd and Easycall International Ltd, where he was responsible for investment and corporate development functions.

Mr Ng graduated from National University Singapore in 1994, with a Business Administration degree.

Mr Wong Meng Choong
Non-executive Director

Mr Wong was appointed to the Board as a Non-executive Director on 7 December 2012. He is also a member of the Audit Committee. Mr Wong was last re-elected as Director at INTRACO's Annual General Meeting on 29 April 2013.

Mr Wong is presently the Group Chief Operating Officer, Asia of Tat Hong Holdings Ltd. He was the Executive Vice President (Special Projects) of Tat Hong Holdings Ltd previously.

Between 1999 and 2011, Mr Wong was Managing Director (Asia Pacific) of China Export Finance Ltd and China Delta Export Limited. He also formerly served as Chief Operating Officer of Rex Packaging Group, a subsidiary company of Hong Leong Asia Ltd. Mr Wong was also the Deputy CEO of Group Dairies Division of the F&N Group.

Mr Wong began his career as a senior auditor at Pricewaterhouse & Co., after graduating with a Bachelor of Accountancy degree from the National University of Singapore in 1977. He is also an alumnus of the Senior Executive Program of Columbia University in New York, USA.

Mr Tony Chew Leong-Chee
Alternate Director to Mr Charlie Ng How Kiat

Mr Chew was appointed to the Board as an Alternate Director to Mr Charlie Ng How Kiat on 7 December 2012.

Mr Chew is Executive Chairman of Asia Resource Corporation which has diversified business interests in the Asian region. He is also Chairman of KFC Vietnam Company, Chairman of Macondray Corporation Pte Ltd and an Independent Director of Keppel Corporation.

In addition, he is Chairman of the Singapore Business Federation. He also serves as an Advisor to the Singapore Institute of International Affairs and Member of the Economic Research Institute for ASEAN and East Asia Governing Board, Chinese Development Assistance Council Board of Trustees, and the National Productivity and Continuing Education Council. He was founding Chairman of Duke-NUS Graduate Medical School Singapore Governing Board (2005-2012) and Member of the Economic Strategies Committee (2009-2010).

Mr Chew was conferred the Meritorious Service Medal (2013), Public Service Star (2008), Public Service Medal (2001), and the NUS Outstanding Service Award (2011).

Mr Roland Ng San Tiong
Alternate Director to Mr Wong Meng Choong

Mr Ng was appointed to the Board as an Alternate Director to Mr Wong Meng Choong on 7 December 2012.

Mr Ng is the Managing Director of one of the world's largest crawler crane rental company Tat Hong Holdings Ltd and he is vastly experienced in the areas of corporate management, business development and business management. He sits on the board of Tat Hong Holdings Ltd as well as its regional subsidiaries and associates across Malaysia, Indonesia, Australia and China. He also holds directorships in several listed companies in Singapore including tower crane manufacturer, Yongmao Holdings Limited, and a foundation and geotechnical engineering company, CSC Holdings Ltd.

In addition, Mr Ng is the Vice-President of the Singapore Chinese Chamber of Commerce & Industry (SCCCI), a member on the Board of Directors of the Business China and a member on the Board of Trustees of the Chinese Development Assistance Council (CDAC).

Mr Ng graduated with a Bachelor of Science (Honours) Degree from Loughborough University, College of Technology, in the United Kingdom. He was awarded the Pingat Bakti Masyarakat (Public Service Medal) in 2002 and Bintang Bakti Masyarakat (Public Service Star) in 2010 by the President of Republic of Singapore.

Executive Team

Our Executive Team is led by Managing Director and Chief Executive Officer, Mr Foo Der Rong.

Mr Ronald Lim
Chief Operating Officer

Mr Lim is an industry veteran with more than 34 years of experience in senior and general management positions with both multi-national corporations and local companies operating in the plastic manufacturing and packaging industries.

His other appointments include President of the Singapore Plastic Industry Association and Permanent Secretary-General of the ASEAN Federation of Plastic Industries. He is also a founding member of the Asia Plastics Forum, a group formed to share and exchange information as well as foster business ties within the region's plastic industry across 12 member countries.

Ms Shelyn Loy
Senior Manager, Corporate and Financial Services

Ms Loy has more than 14 years of experience in corporate finance with several organisations including Harry Elias Partnership, PrimePartners Corporate Finance Pte Ltd and NRA Capital Pte Ltd. She has been involved in a wide range of corporate finance transactions including fund raising exercises as well as advisory transactions for mergers and acquisitions, privatisations, corporate restructurings and fairness opinions.

She holds a Bachelor of Business (Accounting) degree from Swinburne University of Technology in Melbourne, Australia. She is a member of the Australian Society of Certified Public Accountants.

Mr Yeo Choon Tat
Group Financial Controller

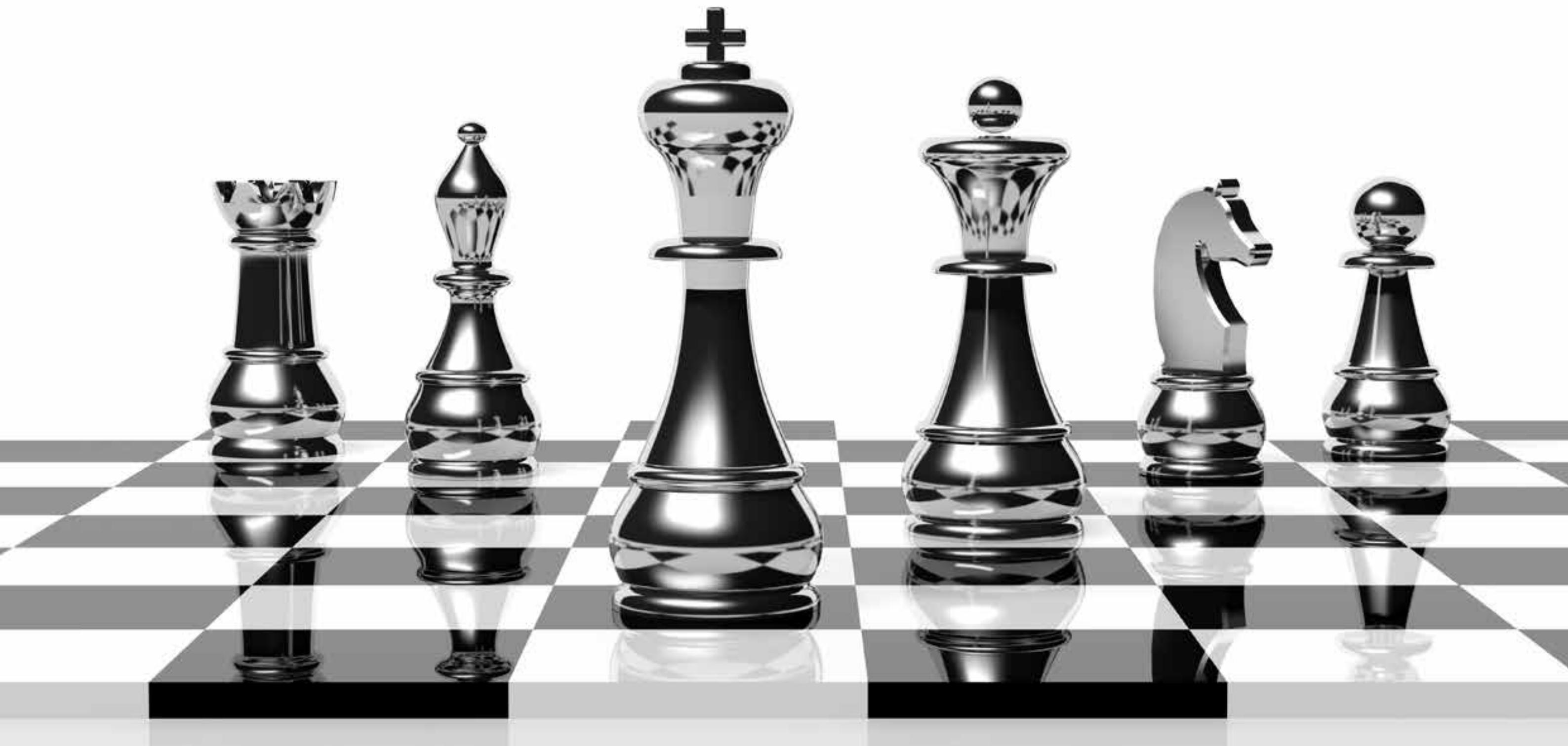
Mr Yeo is an accomplished finance and accounting professional with more than 25 years of regional experience in senior management roles for multi-national corporations and local organisations across diverse industries, such as manufacturing, electronics and venture capital, in Hong Kong, China and Singapore.

He holds a Bachelor of Accountancy degree from the University of Singapore and is a fellow member of the Institute of Singapore Chartered Accountants (FISCA), CPA Australia (FCPA Australia) and ACCA U.K. (FACCA).

Ms Joanne Kam
Manager, Human Resources

Ms Kam has more than 16 years of experience in human resource (HR) management. Prior to joining INTRACO Limited, she worked as an Executive Manager for UniGroup Worldwide UTS, where she was responsible for the company's regional HR practices in Singapore, Hong Kong and China. Her areas of expertise include developing and standardising HR policies, change management, compensation and benefits administration, performance management and recruitment.

She holds a degree in Business Management and Human Resource Management from University of Tasmania in Australia.



Investor Relations Policy

INTRACO and its subsidiaries (the "Group") believe in the practice of good corporate governance. This includes providing open, timely, and regular information and communication to our shareholders and other investors, business partners, employees and to the public. In order to achieve this objective and to set out clear rules and procedures for both the Group and those seeking information from us, we have developed this Investor Relations Policy (the "Policy") which will be regularly reviewed and updated as required.

The main objective of the Policy is to ensure that all shareholders have equal and sufficient access to relevant and share price sensitive information. All Group employees and external investor relations partners are instructed to strictly adhere to the Policy. Any person seeking information is requested to do this within the framework provided by the law, the Group's Articles of Association and this Policy. We do not support any person who tries to obtain information in any other manner, in particular, by contacting persons who are not in charge of investor relations.

General Principles

The Policy is based on the core principles of:

1. Transparency: A broad range of corporate information, including all material information, such as financial performance, position and prospects as well as press releases, presentation slides, annual reports and circulars are available on SGXNET as well as the Group's corporate website - www.intraco.com.

2. Equal Treatment: All parties in the investment community including analysts, fund managers, shareholders and the financial media have fair access to material information. Material information will be issued in a timely manner mainly through SGXNET, and when required, a trading halt will be called. There will be no selective disclosure.

The Policy

This Policy is designed to comply with all applicable regulations of the Listing Manual of the SGX-ST (the "Listing Manual") and to achieve the Group's transparency goal.

Group Spokespersons

The Group's Investor Relations team ("IR Team") is led by the Chairman of the Board, and actively supported by the Managing Director and Chief Executive Officer as well as an external Investor Relations agency, August Consulting Pte Ltd. These parties are empowered to act as spokespersons towards security holders and securities markets professionals. However, it does not imply that all subjects will be discussed with investors. To ensure consistency and to avoid unintentional disclosure of material information, employees other than the authorized Group spokespersons are instructed not to respond to enquiries from the media or the investment community. Enquiries are to be directed to the Group's external Investor Relations agency, August Consulting Pte Ltd at (65) 6733 8873.

Disclosure of Financial and Other Material Information

In compliance with Rule 705 of the Listing Manual, financial statements for the full financial year will be released to the public no later than 60 days from the end of financial year; financial statements for the half-year will be released no later than 45 days. These will be released outside of trading hours on SGXNET and on the Group's corporate website [www.intraco.com]. Media releases which are sent to financial media will also be made available through the same channels.

In accordance to Rule 703 of the Listing Manual, material[1] non-public information that is inadvertently disclosed to analysts, investment professionals, or any shareholder who may trade on the information, will be immediately released to the public through SGXNET. When required, press releases will also be sent to financial media to ensure that a wider public is informed, so as to avoid the establishment of a false market which will materially affect the price or value of the Group's securities.

Black-Out Periods

The Group will maintain a silent ("Black-Out") period of one month prior to the announcement of its half-year and full-year financial results. The IR Team will not take part in any analyst or investor phone conversations or meetings during the Black-Out period regardless of the intent and objective of these encounters.

Access to Information and Meetings

All analysts, shareholders and financial media will have access to the Group's IR Team; the contact details are posted on the Group's corporate website (www.intraco.com). All incoming queries will be dealt with in a timely manner.

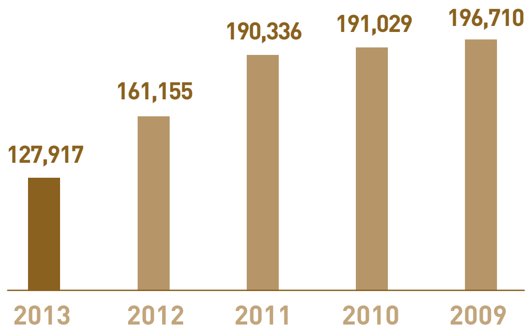
Access to Meetings with the Group

Ad-hoc requests by analysts or professional investors for meetings with the IR Team will be met, schedule permitting. In such meetings, the IR Team will be accompanied by the Group's external Investor Relations agency to avoid or detect any disclosure of material information.

[1] Information concerning the Group's business and affairs is considered material if it results in or would reasonably be expected to result in a significant change in the market price or value of the common shares of the Group. This includes information, known to the Group, concerning its property, assets, business, financial conditions and prospects; mergers and acquisitions; and dealings with employees, suppliers and customers; material contracts or development projects, whether entered into in the ordinary course of business or otherwise; a well as information concerning a significant change in ownership of the Group's shares by insiders, or a change in effective or voting control and any developments that affect materially the present or potential rights or interests of the Group's shareholders.

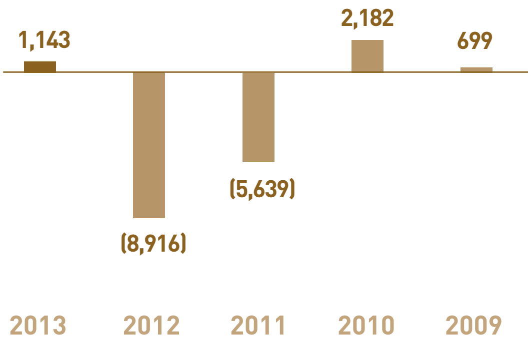
Financial Highlights

Revenue ($'000)



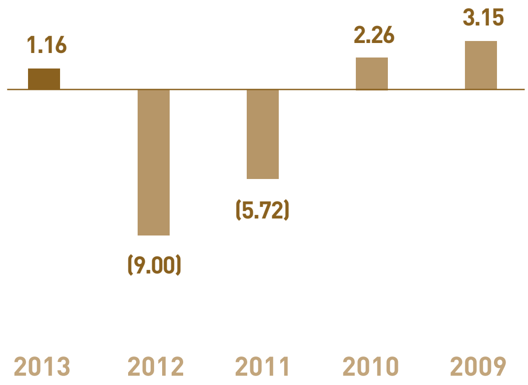
Profit /(Loss) Before Tax* ($'000)

* Note: Excluding discontinued operations

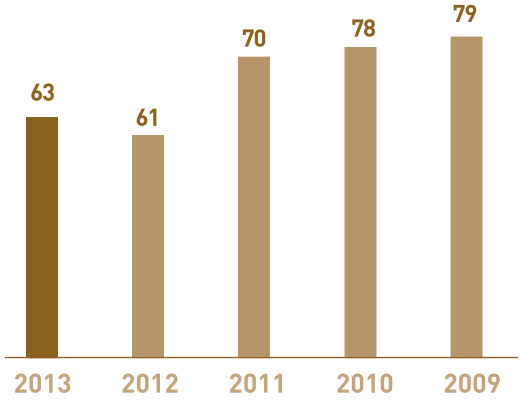


Earnings Per Share* (cents)

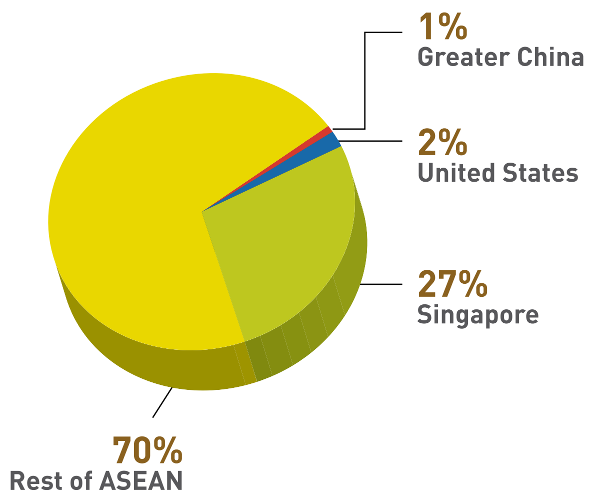
* Note: Excluding discontinued operations



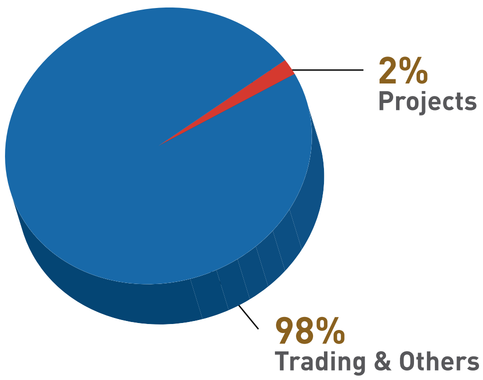
Net Asset Value Per Share (cents)



FY2013 Revenue by Geographical Segments



FY2013 Revenue by Operating Segments



Corporate Information

Board of Directors

Dr Tan Ng Chee
(Chairman and Lead Independent Director)

Mr Colin Low
(Deputy Chairman and Independent Director)
(Appointed on 1 March 2014)

Mr Foo Der Rong
(Managing Director and Chief Executive Officer)

Dr Tan Boon Wan
(Independent Director)

Mr Shabbir H Hassanbhai
(Independent Director)

Mr Wong Meng Choong
(Non-executive Director)

Mr Charlie Ng How Kiat
(Non-executive Director)

Mr Roland Ng San Tiong
(Alternate Director to Mr Wong Meng Choong)

Mr Tony Chew Leong-Chee
(Alternate Director to Mr Charlie Ng How Kiat)

Audit Committee

Dr Tan Boon Wan (Chairman)

Dr Tan Ng Chee

Mr Wong Meng Choong

Nominating Committee

Dr Tan Ng Chee (Chairman)

Dr Tan Boon Wan

Mr Charlie Ng How Kiat

Remuneration Committee

Dr Tan Ng Chee (Chairman)

Dr Tan Boon Wan

Mr Charlie Ng How Kiat

Company Secretaries

Ms Yvonne Choo

Ms Busarakham Kohsikaporn

Auditors

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Audit Partner – Ms Karen Lee
(Appointed in 2010)

Share Registrar

KCK CorpServe Pte Ltd
333 North Bridge Road
#08-00 KH Kea Building
Singapore 188721

Registered Office

INTRACO Limited
8 Jurong Town Hall Road
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Bankers

Development Bank of Singapore Limited
United Overseas Bank Limited

Investor Relations

August Consulting Pte Ltd
101 Thomson Road
#30-02, United Square
Singapore 307591
Tel: (65) 6733 8873

Corporate Governance

INTRACO Limited (the "**Company**") is committed to ensuring and maintaining a high standard of corporate governance as it understands that good corporate governance establishes and maintains a legal and ethical environment, which strives to preserve and enhance the interests of all stakeholders.

In keeping with its commitment to a high standard of corporate governance, the Board of Directors and Management endeavour to align the Group's governance framework with the recommendations of the Code of Corporate Governance 2012 (the "**2012 Code**").

This report describes the corporate governance framework and practices of the Company with specific reference made to each principle as set out in the 2012 Code.

The 2012 Code is divided into four main sections, namely:

A. Board Matters
B. Remuneration Matters
C. Accountability and Audit
D. Shareholders Rights and Responsibilities

A. BOARD MATTERS

The Board of Directors works closely with Management for the long-term success of the Company. The Board as at 27 March 2014 comprises the following members:

Dr Tan Ng Chee (Chairman)
Mr Colin Low Tock Cheong (Deputy Chairman) (appointed on 1 March 2014)
Mr Foo Der Rong
Dr Tan Boon Wan
Mr Shabbir s/o Hakimuddin Hassanbhai
Mr Charlie Ng How Kiat
Mr Wong Meng Choong
Mr Chew Leong Chee (Alternate Director to Mr Charlie Ng How Kiat)
Mr Ng San Tiong (Alternate Director to Mr Wong Meng Choong)

A description of the background of each Director is presented in the "Board of Directors" section of this annual report set out on pages 6 to 8.

THE BOARD'S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1)

The Board assumes responsibility for stewardship of the Company and its subsidiaries (the "**Group**") and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders. It has oversight responsibility over the management of the business and affairs of the Group.

The Board's role includes:

- approving the appointments of Directors, Company Secretary, and key management personnel;
- setting objective performance criterion to evaluate the Board's performance and succession planning process;
- overall responsibility for the oversight of material risks in the Group's business;
- reviewing and approving key operational and business initiatives, the Group's operating and financial performance, risk management processes and systems, the release of the Group's half-year and year-end financial results and determining the Group's annual budgets and capital expenditure;
- providing entrepreneurial leadership, setting strategic objectives, and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives;

Corporate Governance

- establishing a framework of prudent and effective internal controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- approving major funding proposals, investment and divestment proposals;
- establishing goals for Management and reviewing Management's performance by monitoring the achievement of these goals;
- setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- considering sustainability issues (where applicable), e.g. environmental and social factors, as part of its strategic formulation.

Matters relating to the Group's objectives, strategies and policies require the Board's direction and approval, while Management is responsible for the day-to-day operations and administration of the Group.

The Board has also adopted a set of internal controls which, among other matters, set out tiered approval limits for capital expenditure, investments and divestments, bank borrowings, bank mandates and commercial transactions. These arrangements have been made to facilitate management and operational efficiency.

Board Committees

To assist in the execution of its responsibilities, the Board had established 3 Board Committees and delegates specific areas of responsibilities to these Committees. The Committees are the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). Each of these Board Committees functions within clearly defined terms of reference. The terms of reference of the AC, NC and RC had been amended in March 2013 to align the Company with the recommendations of the 2012 Code.

These Board Committees have the authority to examine the specific issues outlined in their respective terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

Board and Board Committee Meetings

The Board and Board Committees meet regularly and whenever necessary to discharge their duties. An annual schedule of Board and Board Committee meeting dates are set by the Directors in advance. Ad-hoc meetings are convened when required.

All draft agendas for meetings are reviewed by the Chairman of the Board and the Chairman of the respective Board Committees. Papers and/or other information are forwarded to the Directors before each meeting with ample time for their review.

Members of Management are invited to attend the meetings to present information and/or render clarification when required. The Company's Articles of Association ("**Articles**") provide that the Directors may conduct meetings by means of telephone or video conference or other methods of simultaneous communication.

Corporate Governance

The number of meetings held by the Board and the AC, NC and RC and attendance thereat during the financial year ended 31 December 2013 ("**FY2013**") are as follows:

BOARD AND BOARD COMMITTEE MEETINGS AND ATTENDANCE IN FY2013

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Scheduled	Ad-hoc	Scheduled	Ad-hoc	Scheduled	Ad-hoc	Scheduled	Ad-hoc
	Number of Meetings Held							
	4	4	4	2	1	3	1	5
	Number of Meetings Attended							
Dr Tan Ng Chee	4	4	4	2	1	3	1	5
Mr Colin Low(1)	NA	NA	NA	NA	NA	NA	NA	NA
Mr Foo Der Rong	4	4	NA	NA	NA	NA	NA	NA
Dr Tan Boon Wan	4	4	4	2	1	3	1	5
Mr Shabbir H Hassanbhai(2)	1	NA	NA	NA	NA	NA	NA	NA
Mr Charlie Ng How Kiat	4	4	NA	NA	1	3	1	5
Mr Wong Meng Choong	4	4	4	2	NA	NA	NA	NA

(1) Mr Colin Low was appointed on 1 March 2014. Mr Low is not a member of the AC, NC and RC.

(2) Mr Shabbir H Hassanbhai was appointed on 16 August 2013. Mr Hassanbhai is not a member of the AC, NC and RC.

Formal letters are provided to each Director upon appointment, setting out duties and responsibilities as a Director under the Companies Act, Cap. 50 (the "**Act**") and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

All newly-appointed Directors attend an orientation programme which seeks to familiarize them with the Company's business, operations and governance practices and they are also given materials containing such information. The Group's policies and procedures are also extended to the Directors to enable them to gain a clear understanding on the levels of authority in relation to transactions. In addition, Directors are provided with the contact numbers and email addresses of key executives, Company Secretary, Auditors and Investor Relations to facilitate efficient and direct access.

To keep pace with a fast-changing regulatory environment, the Board is kept informed of any relevant changes to legislation and regulatory requirements. Directors and Management are encouraged to attend courses to keep abreast of changes in the law and governance matters that may affect the Group. The Company has a budget for Directors to receive further relevant training of their choice in connection with their duties as Directors.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

Board Composition and Independent Directors

The Board has a strong element of independence; more than half the members comprise Independent Directors. The Company's Managing Director & Chief Executive Officer ("**CEO**"), Mr Foo Der Rong, is the only Executive Director appointed to the Board. Dr Tan Ng Chee, Mr Colin Low, Dr Tan Boon Wan and Mr Shabbir H Hassanbhai are independent as they have no relationship with the Company, its related companies, its 10% shareholders (persons with an interest of not less than 10% of the total votes to all the voting shares in the Company), or their officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interest of the Group, and they are able to exercise objective judgement on corporate affairs independently from the Management and 10% shareholders.

Independence of Directors

The NC reviews annually the independence of each Director based on the definition and criteria set out in the 2012 Code. Each Independent Director is required to complete a Confirmation of Independence form drawn up based on the guidelines provided in the 2012 Code. Thereafter, the NC reviews the confirmations and recommends its assessment to the Board.

Corporate Governance

The 2012 Code stipulates that the independence of any Director who has served on the Board beyond 9 years from the date of his first appointment should be subject to particularly rigorous review. The NC noted that the Company currently has 2 Directors – Dr Tan Ng Chee and Dr Tan Boon Wan, who have served the Board beyond 9 years from the date of their first appointment.

The NC has determined that Dr Tan Ng Chee and Dr Tan Boon Wan have demonstrated independent mindedness and conduct at Board and Board Committee meetings and the Board is of the view that both Directors have been exercising independent judgement in the best interests of the Company in the discharge of their duties.

Taking into consideration the foregoing, the NC and Board have determined that Dr Tan Ng Chee and Dr Tan Boon Wan are independent. In this regard, 4 Directors – Dr Tan Ng Chee, Mr Colin Low, Dr Tan Boon Wan and Mr Shabbir H Hassanbhai (who represent more than half of the Board) are considered independent and no individual dominates the Board's decision-making process. The size and composition of the Board are reviewed from time to time by the NC to ensure that the size of the Board is conducive for effective discussions and decision-making and that the Board has the appropriate mix of expertise and experience as well as an appropriate balance of Independent Directors. The Board considers its current board size appropriate for effective decision-making, taking into account the scope and nature of the Group's operations.

The Board comprises members with diverse expertise and experience in accounting, banking, law, marketing, fund management, business, management, finance, risk management, trading, logistic management and as a group provides core competencies necessary to lead and govern the Company effectively. The Directors' objective judgement, collective experience and knowledge are invaluable to the Group and allow for the useful exchange of ideas and views.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

The positions of the Chairman & CEO are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. Dr Tan Ng Chee is the Non-executive Chairman and Mr Foo Der Rong is the Managing Director & CEO of the Group.

The Chairman, Dr Tan Ng Chee, leads the Board and ensures the effectiveness on all aspects of its role. His duties include:

- setting the agenda for Board meetings;
- ensuring that Directors receive accurate, complete and timely information;
- fostering effective communication between shareholders, the Board and Management;
- encouraging the constructive exchange of views within the Board and between Board members and Management;
- facilitating the effective contribution of Non-executive Directors and Independent Directors; and
- promoting a culture of openness and debate at the Board level and promote high standards of corporate governance.

The Managing Director & CEO, Mr Foo Der Rong, is responsible for the day-to-day operations of the Group and plays a key role in running the Group's business and operations in accordance with the strategic and operational objectives established by the Board.

BOARD MEMBERSHIP (PRINCIPLE 4)

Nominating Committee

The NC comprises the following Non-executive Directors, of whom 2 (including the Chairman) are Independent Directors:

Dr Tan Ng Chee (Chairman and Lead Independent Director)
Dr Tan Boon Wan
Mr Charlie Ng How Kiat

Members of the NC comprise persons of stature, integrity and accountability, who are able to exercise independent judgment in the performance of their duties. The primary functions of the NC, which are described in its terms of reference, are as follows:

- to identify candidates and review all nominations for the appointment or re-appointment of Directors (including Alternate Directors), the CEO of the Group, and to determine the selection criteria;
- to ensure that all Board appointees undergo an appropriate induction programme;
- to review training and professional development programmes for the Board;
- to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- to identify gaps in the mix of skills, experience and other qualities required in an effective Board and to nominate or recommend suitable candidates to fill these gaps;
- to decide whether a Director is able to and has been adequately carrying out his duties as Director of the Company, particularly where the Director has multiple board representations;
- to review the independence of each Independent Director annually;
- to review Board succession plans;
- to decide how the Board and Board Committees' performance may be evaluated and propose objective performance criteria for the Board's approval; and
- to assess the effectiveness of the Board as a whole.

There are currently 2 Alternate Directors appointed to the Board – Mr Roland Ng San Tiong (alternate to Mr Wong Meng Choong) and Mr Tony Chew Leong-Chee (alternate to Mr Charlie Ng How Kiat). The Alternate Directors are appropriately qualified and are familiar with the Company's affairs.

Procedure for Selection and Appointment of New Directors

The NC, in consultation with Management and the Board, determines the qualifications, skills set, and expertise required or expected of a new Board member taking into account the size, structure, composition and progressive renewal of the Board. Recommendations from Board members, business associates, advisors, professional bodies and other industry players are reviewed by the NC. The criteria for assessing the suitability of any nominee or candidate are determined by the NC.

The NC, in evaluating the suitability of the nominee or candidate, will take into account his qualifications, business and related experience and ability to contribute effectively to the Board. The NC will also determine if the nominee or candidate would be able to commit time to his appointment having regard to his other Board appointments and principle commitments, and if he is independent.

The evaluation process will also involve an interview or meeting with the nominee or candidate. Appropriate background and confidential searches will also be made. Recommendations of the NC are then put to the Board for consideration. Any appointments to Board Committees are reviewed and approved at the same time.

The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialization.

Procedure for Re-appointment of Directors

The Company's Articles provide for the retirement and re-election of Directors at every Annual General Meeting ("**AGM**").

The Company's Articles require all Directors to submit themselves for re-nomination and re-election at least once every 3 years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company. The NC is responsible for the nomination of retiring Directors for re-election.

In determining the nomination of a Director for re-election, the NC takes into account the composition and progressive renewal of the Board, and the competency, performance and contribution of the Director including his attendance, preparedness and participation at Board and Board Committee meetings. A Director's time and effort accorded to the Company's business and affairs will also be considered. Where appropriate, the NC will also consider the Director's independence.

Where a Director has multiple Board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. The recommendation of the NC for the nomination of a Director for re-election is then made to the Board. The Board will review this recommendation.

The NC had also reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors has not impinged on his ability to discharge his duties. The Board affirms and supports this view.

At the forthcoming AGM, Dr Tan Boon Wan will be retiring by rotation pursuant to Article 115 of the Company's Articles. Mr Colin Low and Mr Shabbir H Hassanbhai will be retiring pursuant to Article 119 of the Company's Articles. All 3 Directors have consented to their nomination and re-election as Directors of the Company at the forthcoming AGM.

Pursuant to Section 153(6) of the Act, Dr Tan Ng Chee, who has attained the age of 70 years, is required to vacate his office at the conclusion of the forthcoming AGM. Dr Tan has consented to seek re-appointment as a Director of the Company at the forthcoming AGM.

For the year under review, the NC held 4 meetings.

BOARD PERFORMANCE (PRINCIPLE 5)

The Board has established a set of criteria for evaluating the effectiveness of the Board and Board Committees, as well as the contribution of each individual Director.

The NC has in place an annual Board Performance Evaluation exercise which is used to evaluate the effectiveness of the Board and facilitate discussion to enable Directors to discharge their duties more effectively. The evaluations are carried out by means of a questionnaire being completed by each Director. The results of the questionnaire are collated and the findings are analysed and discussed by the NC and reported to the Board.

The Board performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed him to discharge his duties effectively. Directors are encouraged to propose changes to enhance effectiveness as a whole.

The NC has also initiated an annual performance evaluation exercise for each of the Board Committees commencing in 2014. The performance evaluations of the AC, NC and RC will similarly be carried out by means of questionnaires.

The Board had on 16 August 2013 appointed Mr Shabbir H Hassanbhai, as an Independent Director. Mr Hassanbhai's extensive network in both the local and international business communities as well as his in-depth knowledge of certain markets, will strengthen the Company's business portfolio and create more value for shareholders.

Corporate Governance

On 1 March 2014, the Board appointed Mr Colin Low as Deputy Chairman and Independent Director. Mr Low has a wealth of experience in corporate and business leadership and is widely regarded in the finance and corporate world for his well-rounded business expertise. He has more than 25 years of international experience in finance, marketing, sales, business and market development; and merger and acquisitions to contribute to the Board.

The Independent Directors and Non-executive Directors ensure the performance of the Executive Director and Management is objectively reviewed on a continual basis. They also meet from time to time outside of Board meetings to discuss specific issues without the presence of Management.

ACCESS TO INFORMATION (PRINCIPLE 6)

To assist the Board in fulfilling its responsibilities, Management provides the Board with reports containing complete, adequate and timely information prior to Board meetings, and on an on-going basis.

Information provided includes background or explanatory materials related to matters to be reviewed and matters under review by the Board, copies of disclosure documents, budgets, forecasts and internal financial statements. Any material variance between the projections and actual results in respect of budgets, is also disclosed and explained.

The Company Secretary attends Board meetings and is responsible for ensuring that Board procedures are observed and that applicable rules and regulations are complied with. The Board is also periodically updated by the Company Secretary on relevant regulatory changes affecting the Company.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company has in place the procedure to enable the Directors, whether as a group or individually, to obtain independent professional advice as and when necessary in furtherance of their duties at the Company's expense. The appointment of such professional advisor is subject to approval by the Board.

B. REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 7)

The RC comprises the following members, of whom 2 (including the Chairman) are Independent Directors:

Dr Tan Ng Chee (Chairman)
Dr Tan Boon Wan
Mr Charlie Ng How Kiat

The members of the RC have many years of corporate experience and are knowledgeable in the field of executive compensation. In addition, the RC has access to expert professional advice on remuneration matters as and when necessary. No remuneration consultants were engaged in FY2013.

There is a formal and transparent process for developing executive remuneration and for fixing the packages of individual Directors. No Director is involved in determining his own remuneration.

The duties of the RC, which are defined in its terms of reference, include:

- recommending Non-executive Directors' fees and Executive Directors' remuneration to the Board in accordance with the approved remuneration policies and processes of the Company;

- reviewing service contracts for Executive Directors, CEO and key management personnel to keep in line with the guidelines on contractual provisions set out in the 2012 Code;

- looking into service contract provisions that allow the Group to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group;
- reviewing and approving the remuneration of the CEO and the top 5 key executives (who are not Directors) in accordance with the approved remuneration policies and processes of the Company;
- reviewing the eligibility of Executive Directors and key management personnel for benefits under any long-term incentive schemes;
- administering the INTRACO Employee Share Option Scheme (the "**2013 Scheme**") and any other share option scheme or share plan. More information on the 2013 Scheme is set out in the Directors' Report on pages 28 to 29;
- reviewing the remuneration packages of employees who are related to any Director, substantial shareholder or the CEO (or executive of equivalent rank); and
- ensuring that an appropriate proportion of the remuneration of Executive Directors and key management personnel are structured so as to link rewards to corporate and individual performance.

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 8)
DISCLOSURE ON REMUNERATION (PRINCIPLE 9)

In setting remuneration packages, the RC takes into consideration the prevailing market conditions, the pay and employment conditions within the industry and in comparable companies.

As part of its review, the RC ensures that the performance-related elements of remuneration form an appropriate part of the total remuneration package of Managing Director & CEO and key management personnel and that each package is designed to align their interests with those of shareholders and link rewards to corporate and individual performance. The Managing Director & CEO is remunerated as part of senior Management and does not receive Directors' fees. He is under a service contract which is for a fixed term of 3 years. The renewal of the service contract is subject to the approval of the Board with the prior review and endorsement by the RC.

The RC also reviews all matters concerning the remuneration of Independent Directors and Non-executive Directors to ensure that remuneration commensurates with their contribution and responsibilities.

None of the Independent Directors and Non-executive Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director. The fee framework comprises a base fee, attendance fees and additional fees for holding appointment as Chairman/Deputy Chairman of the Board or Chairman/member of Board Committees. No Director is involved in the deliberation and decision in respect of his own individual fees.

The annual quantum of Directors' fees to be paid is reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

Corporate Governance

A summary compensation table of the Directors receiving remuneration from the Group for FY2013 is appended below:

Remuneration Band Salary	Salary	Bonus	Director's Fees[1]	Allowances[2] and Other benefits	Total
S$500,000 and above					
Mr Foo Der Rong	69.57%	23.19%	-	7.24%	100.00%
Below S$250,000					
Dr Tan Ng Chee	-	-	100.00%	-	100.00%
Mr Colin Low[3]	NA	NA	NA	NA	NA
Dr Tan Boon Wan	-	-	100.00%	-	100.00%
Mr Charlie Ng How Kiat	-	-	100.00%	-	100.00%
Mr Wong Meng Choong	-	-	100.00%	-	100.00%
Mr Shabbir H Hassanbhai[4]	-	-	100.00%	-	100.00%

(1) Directors' fee is subject to the approval of shareholders at the forthcoming AGM.
(2) Employer's CPF contribution is included here.
(3) Mr Colin Low was appointed on 1 March 2014.
(4) Mr Shabbir H Hassanbhai was appointed on 16 August 2013.

Disclosure of key management personnel remuneration (who are not Directors or the CEO) in bands of S$250,000 (based on gross remuneration received and inclusive of employer's contributions to the Central Provident Fund) is set out below. The key management personnel includes the Chief Operating Officer and Group FC. The remuneration of the business heads of the Company's trading and others segment is also set out below. The aggregate remuneration paid to the said personnel in FY2013 amounted to S$951,912.

Management Personnel	Base Salary	Bonus	Allowances and other benefits[1]	Total
Range S$250,000 – S$499,999				
Ronald Lim	71.91%	18.52%	9.57%	100.00%
Below S$250,000				
Connie Chang, Susan Su[2]	79.54%	6.09%	14.37%	100.00%
Steve Sheu[3]	70.42%	17.91%	11.67%	100.00%
Chua Kok Ping[3]	76.35%	12.22%	11.43%	100.00%
Michael Yoong[3]	54.41%	11.32%	34.27%	100.00%

(1) Employer's CPF contribution is included here.
(2) Connie Chang had resigned on 30 April 2013 and was replaced by Susan Su. Susan Su resigned on 31 December 2013.
(3) Remuneration from a subsidiary.

Remuneration of Employees who are Immediate Family Members of a Director or the CEO

No employee of the Group was an immediate family member of a Director or the CEO in FY2013.

Long-term Incentive Scheme

The employees of the Group, including Executive Directors, are eligible to participate in the 2013 Scheme. The 2013 Scheme serves as a long-term incentive scheme to better align the interest of Executive Directors and key management personnel with the Company's shareholders. Details and important terms of the 2013 Scheme can be found in the Directors' Report.

C. ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY (PRINCIPLE 10)

The Board endeavours to ensure that the annual audited financial statements and half-yearly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements via SGXNET.

RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 11)

The Board ensures that Management maintains a sound system of internal controls and effective risk management policies to safeguard shareholders' interest and the Company's assets and in this regard, is assisted by the AC which conducts the reviews of the effectiveness of the Company's internal controls and risk assessment at least annually to ensure the adequacy thereof.

The Company consistently monitors the internal controls of the Company. These internal monitoring includes a general review of policies and procedures for the Group covering operations, corporate, accounting function, information systems and human resource.

In FY2013, the Board formalised and approved an Enterprise Risk Management Framework. This risk framework has 4 principal risk categories, namely strategic, financial, operational and compliance risks.

The Company's Internal Auditor ("**IA**") reviews internal controls as part of the internal audit plan to provide independent assurance to the AC and the Board on the adequacy, effectiveness and integrity of the Group's internal controls and risk management systems.

The IA present their findings to the AC on a quarterly basis. If any non-compliance or internal control weaknesses are noted during their audit, the corresponding recommendations and Management's responses are reported to the AC.

The AC also reviews interested person transactions ("**IPTs**") on a quarterly basis.

On an annual basis, the Managing Director & CEO and Group FC will provide a written confirmation to the Board confirming that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances;
- nothing had come to Management's attention which might render the financial results of the Group as at the end of the financial year to be false or misleading in any material aspect;
- Management was aware of their responsibilities for establishing, maintaining and evaluating the effectiveness of the risk management and internal control systems of the Company; and
- there were no known significant deficiencies in the risk management and internal controls systems relating to the preparation and reporting of financial data as at the end of the financial year and that Management was not aware of any fraud.

Corporate Governance

Based on the internal controls established, the work performed by the IA and external auditors, as well as assurance given by Management on the state of internal controls, the Board, with the concurrence of the AC, is of the opinion that the internal controls in place are adequate to address the Group's strategic, financial, operational and compliance risks as at 31 December 2013.

Accordingly, the Company has complied with Listing Rule 1207(10).

Risk Management Policies and Processes

The main risks arising from the Group's financial operations are liquidity risk, foreign currency risk, credit risk, market risk and interest rate risk. Details on the foregoing are more particularly set out in the Notes to the Financial Statements. These risks are monitored by the AC on a quarterly basis and the Board as a whole.

AUDIT COMMITTEE (PRINCIPLE 12)

The AC comprises the following Non-executive Directors, of whom 2 (including the Chairman) are Independent Directors:

Dr Tan Boon Wan (Chairman)
Dr Tan Ng Chee
Mr Wong Meng Choong

The AC oversees the quality and integrity of the accounting, auditing, internal controls and financial practices of the Group.

All members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the view that the AC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities.

In FY2013, the AC members attended external seminars on risk management, internal controls and audit. The AC held a total of 6 meetings with Management and the IA and external auditors of the Company. The AC also addressed following matters, which are part of its duties as stipulated in its terms of reference:

- the audit plans of the internal and external auditors of the Company, and their reports arising from their audits;
- the adequacy of the assistance and cooperation given by Management to the internal and external auditors;
- the financial statements of the Company and the consolidated financial statements of the Group;
- the interim and full year announcements of the results of the Group before submission to the Board for approval;
- the adequacy and effectiveness of material internal controls, including financial, operational and compliance controls;
- legal and regulatory matters that may have a material impact on the financial statements, compliance policies and programmes and any reports received from regulators;
- the cost-effectiveness, independence and objectivity of the external auditors;
- the approval of compensation to the external auditors;
- the nature and extent of non-audit services provided by the external auditors;
- any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact to the Group's operating results or financial position and Management's response;

- the recommendation to the Board for the appointment or re-appointment of the external auditors of the Company; and

- IPTs to ensure that the current procedures for monitoring of IPTs have been complied with.

In performing its functions, the AC:

- meets the external auditors and IA (who have direct access to the AC), without the presence of Management and reviews the overall scope of the external audit and the assistance given by Management to the auditors;

- has explicit authority to investigate any matter relating to the Group's accounting, auditing, internal controls and financial practices brought to its attention with full access to records, resources, and personnel to enable it to discharge its function properly; and

- has full access to and cooperation of Management and the discretion to invite any Director or officer to attend its meetings.

The AC also performs other functions specified in the Act and the Listing Manual of the SGX-ST and in accordance with its written terms of reference.

An aggregate fee of S$202,000 had been paid to the external auditors for FY2013, comprising audit fee of S$182,000 and non-audit services fee of S$20,000. The AC had undertaken a review of all the non-audit services provided by the external auditors in FY2013 and is satisfied that such services would not, in the AC's opinion, affect the independence of the external auditors.

KPMG LLP is registered with the Accounting and Corporate Regulatory Authority. The AC is satisfied that the resources and experience of KMPG LLP, the audit engagement partner and her team assigned to the audit of the Group were adequate to meet their audit obligations, given the size, nature, operations and complexity of the Group. The AC is satisfied that the Company has complied with Rule 712 of the Listing Manual of the SGX-ST.

The AC also confirmed that the Company has complied with Rule 715 of Listing Manual of the SGX-ST in relation to the appointment of the same auditing firm based in Singapore to audit the accounts of the Company, all if its significant Singapore-incorporated subsidiaries and associates.

The Audit Committee Guidance Committee issued the Guidebook for Audit Committees in Singapore in October 2008. The Guidebook has been distributed to all members of the AC and the Board. Where appropriate, the AC will adopt relevant best practices set out in the Guidebook, which will be used as a reference to assist the AC in performing its functions.

The AC also reviews arrangements by which staff of the Company and external parties may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. The Group has in place a whistle-blowing policy to ensure independent investigations of such matters and for appropriate follow up action. A summary of the policy can be found in the Company's website.

INTERNAL AUDIT (PRINCIPLE 13)

The internal audit unit is independent of the activities it audits and the IA reports directly to the Chairman of the AC. The reports by the IA are reviewed by the AC on a quarterly basis. The AC approves the Internal Audit Plan annually and reviews the adequacy and effectiveness of the internal audit function.

The AC is responsible for the appointment, termination and remuneration of the IA. The IA has unfettered access to all the Group's documents, records, properties and personnel and direct access to the AC.

The role of the IA is to support the AC in ensuring that the Group maintains a sound system of internal controls by highlighting any weaknesses in the current process, ascertaining that operations were conducted in accordance with established policies and procedures and to identify areas for improvement, where controls can be strengthened.

The Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors are used as a reference and guide by the Company's IA.

D. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

COMMUNICATION WITH SHAREHOLDERS (PRINCIPLES 14 AND 15)

The Company believes that a high standard of disclosure is key to raising the level of corporate governance. Accordingly, financial results and other material information on the Company are published through SGXNET and the corporate website of the Company in a timely manner.

The Company does not practise selective disclosure. Price-sensitive information is publicly released and results and annual reports are announced or issued within the mandatory period and are available on the Company's website. All shareholders of the Company receive the annual report and notice of Annual General Meeting as well as any circular and notice of Extraordinary General Meeting. These notices are advertised in the newspaper and made available on the Group's website.

The Company welcomes the views of shareholders on matters concerning the Company and encourages shareholders' participation at AGMs. Shareholders are given ample opportunity and time to communicate their views on matters relating to the Group with the Board and the Chairman of the AC, NC and RC, and the external auditors of the Company in attendance.

Investor Engagement

The Board recognises the importance of engaging with shareholders, investors and analysts to obtain and understand their concerns and feedback. As a demonstration of the Company's commitment to transparency and fair disclosure, the Company had adopted an Investor Relations Policy (see page 10) to promote regular and effective communication with shareholders.

Dealings in Securities

The Group has in place internal guidelines in relation to dealing in the Company's securities. The Directors and all employees of the Group are prohibited from trading in the Company's securities during the relevant blackout period of 1 month prior to the release of the Group's half-year and full year results. They are also required at all times to observe the insider trading rules stipulated in the Securities and Futures Act, Cap. 289 and are discouraged against dealing in the Company's securities on short-term considerations.

The Company has complied with its best practices on dealings in securities in accordance with Listing Rule 1207(19).

INTERESTED PERSON TRANSACTIONS

The Company has in place internal procedures to report all IPTs to the AC in a timely manner. An IPT register is maintained by the Company's IA. The Company currently does not have an IPT mandate in place. The AC had reviewed the IPTs in FY2013 set out below:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	S$'000
Tat Hong Intraco Pte Ltd	254	-

Corporate Governance

MATERIAL CONTRACT

Except as disclosed in Note 27 to the Financial Statements and the Supplementary Information, there were no material contracts entered by the Company or its subsidiaries involving the interests of the CEO, each Director or controlling shareholders in FY2013.

On behalf of the Board of Directors,

Dr Tan Ng Chee
Chairman

Mr Foo Der Rong
Managing Director and Chief Executive Officer

27 March 2014

Directors' Report

Year ended 31 December 2013

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2013.

DIRECTORS

The directors in office at the date of this report are as follows:

Dr Tan Ng Chee
Mr Colin Low Tock Cheong (Appointed on 1 March 2014)
Mr Foo Der Rong
Dr Tan Boon Wan
Mr Shabbir s/o Hakimuddin Hassanbhai (Appointed on 16 August 2013)
Mr Charlie Ng How Kiat
Mr Wong Meng Choong
Mr Chew Leong Chee
(Alternate Director to Mr Charlie Ng How Kiat)
Mr Ng San Tiong
(Alternate Director to Mr Wong Meng Choong)

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Holdings at beginning of the year	**Holdings at end of the year**
Name of director and corporation in which interests are held		
Mr Chew Leong Chee (Alternate Director to Mr Charlie Ng How Kiat)		
Intraco Limited		
– ordinary shares		
– deemed interests	24,600,000*	28,100,000*
Mr Ng San Tiong (Alternate Director to Mr Wong Meng Choong)		
Intraco Limited		
– ordinary shares		
– deemed interests	29,486,148*	29,486,148*

* *Held by other persons or bodies corporate in which the director has interest by virtue of Section 4 of the Securities and Futures Act (Cap.289).*

DIRECTORS' INTERESTS (CONT'D)

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Apart from Mr Chew Leong Chee's change of deemed interest from 28,100,000 to 28,167,000 on 20 January 2014, there were no other changes in the above directors' interests as at 21 January 2014.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in note 27 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTIONS

The INTRACO Employee Share Option Scheme (the "2013 Scheme") of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 29 April 2013.

Information regarding the 2013 Scheme is set out below:

- Under the rules of the 2013 Scheme, Executive Directors, Non-Executive Directors and employees of the Company, its subsidiaries and its associated companies over which the Company has control ("Associated Companies"), who are not controlling shareholders or their associates, are eligible to participate in the 2013 Scheme.

- The 2013 Scheme is administered by the Company's Remuneration Committee (the "Committee"), comprising three directors, Dr Tan Ng Chee (Chairman), Dr Tan Boon Wan and Mr Charlie Ng How Kiat, with powers to determine, inter alia, the following:

  (i) persons to be granted options;
  (ii) number of options to be offered; and
  (iii) recommendations for modification to the 2013 Scheme.

  A member of the Committee who is also a participant of the 2013 Scheme must not be involved in its deliberation in respect of options granted or to be granted to him.

- The aggregate number of shares over which the Committee may grant options on any date, when added to the number of shares issued or issuable and/or transferred or transferable in respect of all options granted under the 2013 Scheme and any other share schemes of the Company for the time being in force, shall not exceed 15% of the issued shares (excluding treasury shares) of the Company on the date immediately preceding the grant of an option.

- The options that are granted under the 2013 Scheme may have exercise prices that are, at the Committee's discretion, set at a price equal to the average of the last dealt prices for the shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the three (3) consecutive trading days immediately preceding the date of grant of that option (Market Price) or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the Options.

SHARE OPTIONS (CONT'D)

- Options granted to non-executive directors of the Group, and employees and directors of Associated Companies will have a life span of 5 years or such earlier date as may be determined by the Committee. Options granted to employees and executive directors of the Group will have a life span of 10 years or such earlier date as may be determined by the Committee.

- The 2013 Scheme shall continue in operation for a maximum duration of ten (10) years and may be continued for any further period thereafter with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

There were no options granted since commencement of the 2013 Scheme till the end of the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

- Dr Tan Boon Wan (Chairman), Independent Director
- Dr Tan Ng Chee, Independent Director
- Mr Wong Meng Choong, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the SGX-ST and the Code of Corporate Governance.

The Audit Committee has held five meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;

- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and

- interested person transactions (as defined in Chapter 9 of the Listing Manual of the SGX-ST).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the Listing Manual of the SGX-ST.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Dr Tan Ng Chee
Chairman

Mr Foo Der Rong
Managing Director and Chief Executive Officer

Singapore
27 March 2014

Statement by Directors

Year ended 31 December 2013

In our opinion:

(a) the financial statements set out on pages 33 to 87 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Dr Tan Ng Chee
Chairman

Mr Foo Der Rong
Managing Director and Chief Executive Officer

Singapore
27 March 2014

Independent Auditors' Report

Members of the Company Intraco Limited and its subsidiaries

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Intraco Limited and its subsidiaries (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2013, the statement of profit or loss and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 87.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2014

Statement of Financial Position

As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Assets					
Property, plant and equipment	4	2,174	2,000	816	247
Subsidiaries	5	–	–	14,870	13,906
Associates	6	17,010	11,779	14,542	10,106
Other investments	7	1,082	800	1,082	800
Non-current assets		20,266	14,579	31,310	25,059
Inventories	9	459	2,760	87	59
Trade and other receivables	10	9,498	15,885	3,260	3,949
Cash and cash equivalents	11	51,303	49,139	26,962	33,325
Assets held for sale	8	–	720	–	–
Current assets		61,260	68,504	30,309	37,333
Total assets		81,526	83,083	61,619	62,392
Equity					
Share capital		81,919	81,919	81,919	81,919
Reserves		(484)	(1,382)	1,755	509
Accumulated losses		(19,402)	(20,545)	(24,087)	(23,888)
Total equity	12	62,033	59,992	59,587	58,540
Liabilities					
Loans and borrowings	14	11,759	10,104	–	–
Trade and other payables	16	7,570	11,775	1,868	2,731
Provisions	17	164	1,212	164	1,121
Current liabilities		19,493	23,091	2,032	3,852
Total liabilities		19,493	23,091	2,032	3,852
Total equity and liabilities		81,526	83,083	61,619	62,392

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Profit or Loss

As at 31 December 2013

	Note	2013 $'000	2012 $'000
Revenue	18	127,917	161,155
Cost of sales		(123,963)	(155,363)
Gross profit		3,954	5,792
Other income		2,185	101
Distribution expenses		(29)	(210)
Administrative expenses		(6,726)	(5,994)
Other expenses		(164)	(9,930)
Results from operating activities		(780)	(10,241)
Finance income		1,024	729
Finance costs		(145)	(262)
Net finance income	19	879	467
Share of profit of associates (net of tax)		1,044	858
Profit/(Loss) before tax		1,143	(8,916)
Tax credit	20	–	39
Profit/(Loss) for the year	21	1,143	(8,877)
Earnings per share			
Basic and diluted earnings per share (cents)	22	1.16	(9.00)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

As at 31 December 2013

	2013 $'000	2012 $'000
Profit/(Loss) for the year	1,143	(8,877)
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	282	249
Foreign currency translation differences of foreign operations	642	(862)
Foreign currency translation reserves of an associate transferred to profit or loss on disposal	(26)	–
Other comprehensive income for the year, net of tax	898	(613)
Total comprehensive income for the year	2,041	(9,490)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

As at 31 December 2013

Group	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total equity $'000
As at 1 January 2012	81,874	941	(1,755)	–	(11,623)	69,437
Total comprehensive income for the year						
Loss for the year	–	–	–	–	(8,877)	(8,877)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	–	–	–	249	–	249
Foreign currency translation differences of foreign operations	–	–	(862)	–	–	(862)
Total other comprehensive income	–	–	(862)	249	–	(613)
Total comprehensive income for the year	–	–	(862)	249	(8,877)	(9,490)
Transactions with owners, recognised directly in equity						
Contributions by owners						
Share options exercised (note 13)	45	–	–	–	–	45
Transfer between reserves	–	45	–	–	(45)	–
Total transactions with owners	45	45	–	–	(45)	45
As at 31 December 2012	81,919	986	(2,617)	249	(20,545)	59,992

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

As at 31 December 2013 (continued)

Group	Share capital $'000	Capital reserve $'000	Translation reserve $'000	Fair value reserve $'000	Accumulated losses $'000	Total equity $'000
As at 1 January 2013	81,919	986	(2,617)	249	(20,545)	59,992
Total comprehensive income for the year						
Profit for the year	–	–	–	–	1,143	1,143
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	–	–	–	282	–	282
Foreign currency translation differences of foreign operations	–	–	642	–	–	642
Foreign currency translation reserves of an associate transferred to profit or loss on disposal	–	–	(26)	–	–	(26)
Total other comprehensive income	–	–	616	282	–	898
Total comprehensive income for the year	–	–	616	282	1,143	2,041
As at 31 December 2013	81,919	986	(2,001)	531	(19,402)	62,033

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

As at 31 December 2013

	2013 $'000	2012 $'000
Cash flows from operating activities		
Profit/(Loss) for the year	1,143	(8,877)
Adjustments for:		
Depreciation of property, plant and equipment	527	443
Gain on sale of property, plant and equipment	(8)	(23)
Property, plant and equipment written off	1	–
Allowance (reversed)/made for doubtful receivables	(83)	7,072
(Write-back)/write-down of inventory to net realisable value	(1,313)	1,458
Provision (reversed)/made for onerous contract	(91)	91
Provision made for warranty	164	–
Provision (reversed)/made for claims	(218)	786
Gain on disposal of an associate	(63)	–
Impairment loss on investment in associate	–	111
Share of profit of associates, net of tax	(1,044)	(858)
Net finance income	(879)	(467)
Tax credit	–	(39)
	(1,864)	(303)
Change in inventories	3,614	(982)
Change in trade and other receivables	5,789	1,355
Change in trade and other payables	(4,465)	1,920
Change in provisions	(903)	–
Change in restricted bank deposits	–	1,650
Cash generated from operating activities	2,171	3,640
Interest received	118	196
Interest paid	(139)	(261)
Net cash from operating activities	2,150	3,575
Cash flows from investing activities		
Distribution received from other investments	43	328
Proceeds from liquidation of other investment	863	–
Investment in associates	(4,436)	–
Proceeds from repayment of loan	–	3,714
Proceeds from disposal of associate	783	–
Purchase of property, plant and equipment	(702)	(11)
Deferred consideration received from sale of an associate	465	162
Dividends from an associate	942	471
Proceeds from sale of property, plant and equipment	8	28
Net cash (used in)/from investing activities	(2,034)	4,692

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

As at 31 December 2013 (continued)

	Note	2013 $'000	2012 $'000
Cash flows from financing activities			
Proceeds from borrowings		11,759	10,104
Repayment of borrowings		(10,104)	(11,497)
Proceeds from issue of shares		–	45
Net cash from/(used in) financing activities		1,655	(1,348)
Net increase in cash and cash equivalents		1,771	6,919
Cash and cash equivalents at 1 January		49,139	42,497
Effects of exchange rate fluctuations on cash held		393	(277)
Cash and cash equivalents at 31 December	11	51,303	49,139

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 December 2013

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 March 2014.

1 DOMICILE AND ACTIVITIES

Intraco Limited and its subsidiaries (the Company) is incorporated in the Republic of Singapore and has its registered office at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434.

The financial statements of the Group as at and for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The principal activities of the Company are trading in conventional lighting products and energy-savings solutions. The principal activities of the subsidiaries are set out in note 28 to the financial statements.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 12 – impairment of available-for-sale equity securities.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 9 – estimation of net realisable value for inventories
- Note 17 – provisions
- Note 20 – utilisation of tax losses.

2.5 Changes in accounting policies

(i) Fair value measurement

FRS 113 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in notes 24 and 25.

(ii) Presentation of items of other comprehensive income

From 1 January 2013, as a result of the amendments to FRS 1 *Presentation of Financial Statements*, the Group is required to present separately items that would be reclassified to profit or loss in the future from those that would never be.

As the Group does not have items that would never be reclassified to profit or loss, the adoption of the amendment to FRS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(iv) Investments in associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(v) Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Accounting for subsidiaries and associates

The subsidiaries held by the Company are classified as available-for-sale and are stated in the Company's statement of financial position at fair value with any resultant gain or loss recognised in other comprehensive income and presented in the fair value reserve in equity. Impairment losses on its subsidiaries are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. When the subsidiaries are disposed, the gain or loss accumulated in equity is reclassified to profit or loss.

Investments in associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the asset to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	50 years
Leasehold improvements	3 to 50 years
Plant, machinery, tools and equipment	2 to 10 years
Furniture, fittings and equipment	3 to 10 years
Motor vehicles	3 to 6 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and fixed deposits with original maturities of three months or less.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(i) Non-derivative financial assets (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets.

Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(iv) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (Cont'd)

(iv) Intra-group financial guarantees in the separate financial statements (Cont'd)

Financial guarantees are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

3.5 Inventories

(i) Trading

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(ii) Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date (see note 3.11(ii)) less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of inventories in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billing. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as deferred income in the statement of financial position.

3.6 Leases

(i) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (Cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. In addition, equity accounting of associates ceases once classified as held for sale.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transactions

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Provisions (Cont'd)

(i) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(ii) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

3.11 Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of trading products, transfer usually occurs when the product is received at the customer's warehouse; however, for some international shipments, transfer occurs upon loading of the goods onto the relevant carrier at the port. Generally for such products, the customer has no right of return.

(ii) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(iii) Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue (Cont'd)

(iv) Services

Revenue from services rendered is recognised when the relevant services are rendered.

3.12 Finance income and finance costs

Finance income comprises interest income on funds invested, dividend and distribution income, gains on the disposal of available-for-sale financial assets and accretion of interest income on non-current receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on borrowings, imputed interest on trade and other receivables and losses on disposal of available-for-sale financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Tax (Cont'd)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 Key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.16 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties $'000	Leasehold improvements $'000	Plant, machinery, tools and equipment $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Cost						
At 1 January 2012	320	542	41,604	1,336	91	43,893
Additions	–	–	–	11	–	11
Disposals	–	–	(923)	(17)	(39)	(979)
Written off	–	(11)	–	(42)	–	(53)
Effects of movements in exchange rates	–	–	–	(2)	(3)	(5)
At 31 December 2012	320	531	40,681	1,286	49	42,867
Additions	–	397	–	305	–	702
Disposals	–	(8)	–	(214)	(17)	(239)
Written off	–	(453)	–	(260)	–	(713)
Effects of movements in exchange rates	–	–	–	2	–	2
At 31 December 2013	320	467	40,681	1,119	32	42,619
Accumulated depreciation and impairment losses						
At 1 January 2012	95	535	39,446	1,319	60	41,455
Depreciation charge for the year	7	4	406	14	12	443
Disposals	–	–	(923)	(17)	(34)	(974)
Written off	–	(11)	–	(42)	–	(53)
Effects of movements in exchange rates	–	–	–	(2)	(2)	(4)
At 31 December 2012	102	528	38,929	1,272	36	40,867
Depreciation charge for the year	6	60	406	44	11	527
Disposals	–	(8)	–	(214)	(17)	(239)
Written off	–	(452)	–	(260)	–	(712)
Effects of movements in exchange rates	–	–	–	2	–	2
At 31 December 2013	108	128	39,335	844	30	40,445
Carrying amounts						
At 1 January 2012	225	7	2,158	17	31	2,438
At 31 December 2012	218	3	1,752	14	13	2,000
At 31 December 2013	212	339	1,346	275	2	2,174

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold properties $'000	Leasehold improvements $'000	Furniture, fittings and equipment $'000	Motor vehicles $'000	Total $'000
Cost					
At 1 January 2012	320	534	1,127	50	2,031
Additions	–	–	11	–	11
Disposals	–	–	(7)	–	(7)
Written off	–	(11)	(35)	–	(46)
At 31 December 2012	320	523	1,096	50	1,989
Additions	–	397	290	–	687
Disposals	–	–	(163)	–	(163)
Written off	–	(453)	(258)	–	(711)
At 31 December 2013	320	467	965	50	1,802
Accumulated depreciation					
At 1 January 2012	94	528	1,114	27	1,763
Depreciation charge for the year	7	4	11	10	32
Disposals	–	–	(7)	–	(7)
Written off	–	(11)	(35)	–	(46)
At 31 December 2012	101	521	1,083	37	1,742
Depreciation charge for the year	7	60	42	9	118
Disposals	–	–	(163)	–	(163)
Written off	–	(453)	(258)	–	(711)
At 31 December 2013	108	128	704	46	986
Carrying amounts					
At 1 January 2012	226	6	13	23	268
At 31 December 2012	219	2	13	13	247
At 31 December 2013	212	339	261	4	816

5 SUBSIDIARIES

	Company 2013 $'000	Company 2012 $'000
Equity investments at fair value	14,870	13,906

Details of subsidiaries are set out in note 28.

The Company reviews its investments in subsidiaries for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable in accordance with note 3.7(i). The recoverable amounts of the investments were determined based on the carrying amounts of the net assets of the subsidiaries as at 31 December 2013. In 2012, the Company recognised an impairment loss of $8,119,000 on the investments in its subsidiaries. No impairment loss was recognised in 2013.

6 ASSOCIATES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Investments in associates	17,010	11,779	14,542	10,106

During the financial year, the Group acquired additional equity interest of 10.75% in a listed associate for a consideration of $4,182,000 including goodwill of $115,000.

Summary financial information for associates, not adjusted for the percentage ownership held by the Group, are as follows:

	2013 $'000	2012 $'000
Assets and liabilities		
Non-current assets	20,106	18,412
Current assets	48,130	41,284
Total assets	68,236	59,696
Non-current liabilities	643	722
Current liabilities	25,874	19,592
Total liabilities	26,517	20,314
Results		
Revenue	86,757	96,552
Profit for the year	2,746	2,869

6 ASSOCIATES (CONT'D)

Details of significant associates are set out in note 29.

In 2012, the Group reclassified the investment in CKI-Intraco Minerals Co., Ltd to asset held for sale (see note 8) pursuant to a plan to dispose the investment.

The Group's investments in associates include investment in a listed associate with a carrying amount of $16,803,000 (2012: $11,779,000). Based on its closing price at the reporting date, the fair value of the Group's investment is $15,793,000 (2012: $5,652,000).

In 2013, the Group received dividends of $942,000 (2012: $471,000) from its investments in associates.

7 OTHER INVESTMENTS

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Non-current investments				
Available-for-sale quoted equity securities	1,082	800	1,082	800

The Group's exposure to market risks and fair value information related to other investments are disclosed in note 24.

8 ASSETS HELD FOR SALE

Assets held for sale comprised the investment in CKI-Intraco Minerals Co., Ltd (see note 6). The disposal was completed in August 2013.

In 2012, an impairment loss of $111,000 on the remeasurement of the disposal asset to the lower of its carrying amount and its fair value less cost to sell, was recognised in other expenses.

9 INVENTORIES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trading goods				
– at cost	316	472	87	59
– at net realisable value	–	1,231	–	–
Raw materials	–	76	–	–
Goods-in-transit	143	981	–	–
	459	2,760	87	59

In 2013, the write-back of inventories to net realisable value of $1,313,000 was recognised by a subsidiary following the sale of seafood inventories, which was recognised in other income.

9 INVENTORIES (CONT'D)

In 2012, the write-down of inventories to its net realisable value and allowance made for slow moving stocks of $971,000 and $487,000 respectively, were recognised in other expenses.

In assessing the net realisable value of inventories, management takes into account the Group's recent transactions and expected future selling prices. Market conditions may, however, change which may affect the future selling prices of the inventories and accordingly, the carrying value of inventories may be subject to adjustments in future periods.

10 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade receivables	23,542	31,851	1,589	5,078
Impairment losses	(14,583)	(17,497)	(1,125)	(4,334)
Net trade receivables	8,959	14,354	464	744
Deposits	65	163	63	52
Amounts due from subsidiaries				
– Non-trade	–	–	6,463	6,524
– Interest receivables	–	–	2	15
Impairment losses	–	–	(3,954)	(3,894)
Net amounts due from subsidiaries	–	–	2,511	2,645
Other receivables	1,879	2,327	1,852	2,321
Impairment losses	(1,660)	(1,829)	(1,660)	(1,829)
Net other receivables	219	498	192	492
Interest receivables	12	11	10	8
Advances to suppliers	45	610	–	–
	9,300	15,636	3,240	3,941
Prepayments	198	249	20	8
	9,498	15,885	3,260	3,949

At 31 December 2013, trade receivables for the Group and Company include retentions of $129,000 (2012: $129,000) relating to construction work-in-progress.

The non-trade amounts due from subsidiaries are unsecured and repayable on demand. Of the balance, an amount of $2,400,000 (2012: $2,400,000) is unsecured and interest-bearing at 0.25% (2012: 0.25%) per annum and the remaining balances are interest-free.

At 31 December 2012, other receivables for the Group and Company included $492,000 and $1,832,000 due from third parties arising from the sale of an associate and a subsidiary, respectively. The receivable arising from the sale of associate was interest-bearing at 1.38% per annum and was repayable in monthly instalments through to June 2014. The receivable arising from the sale of subsidiary was interest-bearing at SIBOR + 1.5% (2012: 1.5%) per annum and was repayable in semi-annual instalments through to May 2013, and the final instalment was contingent on the recoverability of certain trade receivables outstanding in the subsidiary at the date of disposal. Due to the uncertainty in the recoverability of these debts, the Group made an impairment provision of $1,829,000 in prior year.

10 TRADE AND OTHER RECEIVABLES (CONT'D)

Subsequent to the year ended 31 December 2013, the Group reached a final settlement agreement of $191,000 with a third party in relation to the proceeds receivable from the sale of the subsidiary. Accordingly, an impairment allowance (net of exchange differences) of $142,000 was reversed.

In 2012, the Group assessed the collectability of its trade receivables and provided an allowance for doubtful receivables of $2,378,000 against amounts due from one of its debtors after considering its financial condition and the uncertainty in the recoverability of this debt.

The Group and the Company's exposure to credit and currency risks, and impairment losses related to trade and other receivables, are disclosed in note 24.

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Cash at bank and in hand	20,159	11,395	4,818	4,581
Fixed deposits with banks	31,144	37,744	22,144	28,744
	51,303	49,139	26,962	33,325

The weighted average effective interest rates per annum relating to cash and cash equivalents at the reporting date for the Group and Company are 0.30% (2012: 0.28%) and 0.32% (2012: 0.28%) respectively. Interest rates reprice at intervals of one to three months.

12 CAPITAL AND RESERVES

	Company	
	2013	2012
	Number of shares	Number of shares
Fully paid ordinary shares, with no par value:		
In issue on 1 January	98,725,879	98,635,879
Exercise of share options	–	90,000
In issue on 31 December	98,725,879	98,725,879

The Group has issued share options under the Intraco Limited Share Option Scheme 2000. In 2012, 90,000 ordinary shares were issued as a result of the exercise of vested options arising from this Scheme granted to key management. Options were exercised at an average price of $0.50 per option (see note 13).

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12 CAPITAL AND RESERVES (CONT'D)

Reserves

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Capital reserve	986	986	–	–
Translation reserve	(2,001)	(2,617)	–	–
Fair value reserve	531	249	1,755	509
	(484)	(1,382)	1,755	509

Capital reserve

Capital reserve comprises mainly negative goodwill that has previously been taken to reserve.

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations and subsidiaries whose functional currencies are different from the functional currency of the Company.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments, excluding impairment losses, until the investment is derecognised or impaired.

The Group and the Company determine that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group and the Company evaluates among other factors, the duration and extent to which the fair value of the security is less than its cost. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flow.

13 EMPLOYEE SHARE OPTIONS

INTRACO Employee Share Option Scheme (the 2013 Scheme)

The 2013 Scheme of the Company was approved and adopted by its shareholders at an Extraordinary General Meeting held on 29 April 2013.

Information regarding the 2013 Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the 2013 Scheme is 15% of the issued share capital of the Company.

- Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.

13 EMPLOYEE SHARE OPTIONS (CONT'D)

INTRACO Employee Share Option Scheme (the 2013 Scheme) (Cont'd)

- Under the 2013 Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Options granted to non-executive directors of the Group, and employees and directors of Associated Companies as defined under the 2013 Scheme, will have a life span of 5 years or such earlier date as may be determined by the Remuneration Committee. Options granted to employees and executive directors of the Group will have a life span of 10 years or such earlier date as may be determined by the Remuneration Committee.

There were no options granted since commencement of the 2013 Scheme till the end of the financial year.

INTRACO Employee Share Option Scheme (the 2000 Scheme)

The 2000 Scheme of the Company was approved and adopted by its members at an Extraordinary General Meeting on 10 November 2000. The Scheme had expired on 9 November 2010. The share options previously granted will remain valid until the expiry, cancellation or exercise of the share options. The remaining 15,000 unexercised options granted under the Scheme expired on 7 October 2012.

Information regarding the 2000 Scheme is set out below:

- The maximum number of shares issued or to be issued for options under the 2000 Scheme is 15% of the issued share capital of the Company.
- Options may be granted at the average of the closing price of the Company's shares on the Singapore Exchange Securities Trading Limited (SGX-ST) for the 3 consecutive trading days immediately preceding the date of grant (Market Price) or at a price of up to 20% discount of the Market Price.
- Under the Scheme, a non-discounted option vests 1 year after the date of the grant and a discounted option vests 2 years after the date of grant.
- Unless they are cancelled or lapsed prior to the expiry date, options granted will expire 120 months after the date of grant.

As at 31 December 2012, details of the options granted under the 2000 Scheme are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1/1/2013	Options exercised	Options expired	Options outstanding at 31/12/2013	Number of option holders at 31/12/2013	Exercise period
8/10/2002	$0.50	105,000	90,000	15,000	–	–	8/10/2003 – 7/10/2012

The weighted average share price at the date of the exercise for share options exercised in 2012 was $0.65.

14 LOANS AND BORROWINGS

	Group 2013 $'000	Group 2012 $'000
Unsecured bank loans	762	1,774
Trust receipts	10,997	7,879
Secured invoice financing (see note 26)	–	451
	11,759	10,104

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Group Face value $'000	Group Carrying amount $'000
2013				
USD fixed rate loans	0.92%	2014	762	762
USD trust receipts	1.71% – 1.79%	2014	10,997	10,997
			11,759	11,759
2012				
USD fixed rate loans	1.62% – 2.36%	2013	1,774	1,774
USD trust receipts	0.96% – 2.05%	2013	7,879	7,879
RMB invoice financing	6.16%	2013	451	451
			10,104	10,104

Breach of loan covenant

In 2012, a subsidiary breached one of the financial covenants stipulated in the loan agreement. The subsidiary is required to maintain minimum net tangible assets of $15.0 million at all times. As at 31 December 2012, the subsidiary had net tangible assets of $12.3 million. The bank could potentially call for immediate repayment of the outstanding trust receipts of $1,357,000 as a result of the breach in financial covenants. The trust receipts were fully settled by 11 March 2013.

In 2013, the subsidiary has complied with its financial covenants in the loan agreement.

15 INTRA-GROUP FINANCIAL GUARANTEE

In 2012, intra-group financial guarantee comprised a guarantee granted by the Company to a bank in respect of banking facilities amounting to $1,650,000 granted to a wholly-owned subsidiary. The intra-group financial guarantee expired in December 2013.

16 TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade payables	4,260	7,982	571	1,196
Advances from customers	1,706	2,023	–	1
Accrued expenses	1,216	1,516	908	1,278
Amounts due to subsidiaries (non-trade)	–	–	10	10
Interest payable	11	7	–	–
Other payables	377	247	379	246
	7,570	11,775	1,868	2,731

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

The Group and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 24.

17 PROVISIONS

	Onerous contracts	Claims	Warranties	Total
	$'000	$'000	$'000	$'000
Group				
At 1 January 2013	91	1,121	–	1,212
Provisions (reversed)/made during the year	(91)	(218)	164	(145)
Utilised	–	(903)	–	(903)
At 31 December 2013	–	–	164	164
Company				
At 1 January 2013	–	1,121	–	1,121
Provisions (reversed)/made during the year	–	(218)	164	(54)
Utilised	–	(903)	–	(903)
At 31 December 2013	–	–	164	164

17 PROVISIONS (CONT'D)

Onerous contracts

In 2012, the Group entered into non-cancellable purchase commitments for certain raw materials, however, due to subsequent changes in the Group's activities, those raw materials are no longer expected to be required. The obligation for the discounted future payments, net of expected selling price, has been provided for.

Claims

The provision for claims relate to obligations arising from contractual and commercial arrangements in the Group's operations, based on best estimates of the outflow and potential loss, considering both contractual and commercial factors. The provisions are based on all available evidence, including the legal advice and opinion of experts.

Warranties

The provision for warranties relates to lighting products sold previously and it arose from the settlement of claims disclosed above. The provision is based on estimates on the projected replacement costs of the lighting products.

18 REVENUE

	Group	
	2013	2012
	$'000	$'000
Trading sales	125,362	158,687
Revenue from construction contracts	656	425
Rental income	389	389
Service income	1,510	1,654
	127,917	161,155

19 FINANCE INCOME AND FINANCE COSTS

	Group	
	2013	2012
	$'000	$'000
Interest income		
– bank deposits	106	111
– other receivables	12	88
– accretion of interest on non-current receivables	–	202
Distribution income from available-for-sale financial assets	906	328
Finance income	1,024	729
Interest expense on unsecured bank loans	(145)	(262)
Finance costs	(145)	(262)
Net finance income recognised in profit or loss	879	467

20 TAX CREDIT

	Group	
	2013	2012
	$'000	$'000
Current tax		
Adjustment in prior years	–	(39)
Total tax credit	–	(39)
Reconciliation of effective tax rate		
Profit/(Loss) before tax	1,143	(8,916)
Tax using the Singapore tax rate of 17% (2012: 17%)	194	(1,516)
Effect of tax rates in foreign jurisdictions	2	(3)
Tax-exempt income	(202)	(164)
Non-deductible expenses	43	110
Tax effect on share of profit of associates	(177)	(146)
Change in unrecognised temporary differences	140	1,719
Over provision in prior years	–	(39)
	–	(39)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Deductible temporary differences	10,155	8,848	156	1,598
Tax losses	16,831	17,314	3,706	932
	26,986	26,162	3,862	2,530

The tax losses are subject to agreement by the tax authorities. Tax losses do not expire under current tax legislation. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

21 PROFIT/(LOSS) FOR THE YEAR

The following items have been included in arriving at profit/(loss) for the year:

	Group	
	2013	2012
	$'000	$'000
Allowance (reversed)/made for doubtful receivables	(83)	7,072
(Write-back)/write-down of inventory to net realisable value	(1,313)	1,458
Audit fees paid to:		
– auditors of the Company	182	205
– other auditors	2	2
Non-audit fees paid to:		
– auditors of the Company	20	10
– other auditors	–	7
Bad debts recovered	–	(24)
Cost of inventories recognised in cost of sales	122,498	153,425
Depreciation of property, plant and equipment	527	443
Foreign exchange (gain)/loss	(214)	435
Gain on sale of property, plant and equipment	(8)	(23)
Gain on disposal of an associate	(63)	–
Impairment loss on investment in associate	–	111
Operating lease expenses	506	292
Provision (reversed)/made for onerous contract	(91)	91
Provision (reversed)/made for claims	(218)	786
Provision made for warranty	164	–
Employee benefits expense		
Salaries, bonuses and other costs	4,205	4,565
Contributions to defined contribution plans	264	257
	4,469	4,822

22 EARNINGS PER SHARE

The calculation of basic earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders of $1,143,000 (2012: Loss attributable to ordinary shareholders of $8,877,000) and a weighted average number of ordinary shares outstanding of 98,725,879 (2012: 98,673,171), calculated as follows:

Weighted average number of ordinary shares

	2013 Number of shares	2012 Number of shares
Issued ordinary shares at 1 January	98,725,879	98,635,879
Effect of share options exercised	–	37,292
Weighted average number of ordinary shares during the year	98,725,879	98,673,171

23 OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- *Projects* Trading in conventional lighting products and provision of energy-savings solutions.
- *Trading and others* Trading in industrial materials which include metals and minerals, plastics and petrochemicals and processing of food products and others include investment holding.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Geographical segments

The Group's business is managed in five principal geographical areas, namely, Singapore, rest of ASEAN, Greater China (Hong Kong, Taiwan and China), United States and others.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

23 OPERATING SEGMENTS (CONT'D)

Operating segments ($'000)

	Projects	Trading and others	Consolidated
2013			
External revenue	2,558	125,359	127,917
Interest income	–	34	34
Interest expense	–	(145)	(145)
Depreciation and amortisation	–	(408)	(408)
Reportable segment profit before tax	492	1,392	1,884
Reportable segment assets	551	34,817	35,368
Other material non-cash items:			
Allowance made for doubtful receivables	–	59	59
Provision made for warranty	164	–	164
Write-back of inventory to net realisable value	–	(1,313)	(1,313)
Provision reversed for onerous contract	–	(91)	(91)
Provision reversed for claims	(218)	–	(218)
Capital expenditure	–	14	14
Reportable segment liabilities	656	17,480	18,136
2012			
External revenue	4,798	156,357	161,155
Interest income	–	228	228
Interest expense	–	(262)	(262)
Depreciation and amortisation	–	(412)	(412)
Reportable segment loss before tax	(260)	(7,121)	(7,381)
Reportable segment assets	803	34,848	35,651
Other material non-cash items:			
Allowance (reversed)/made for doubtful receivables	(200)	6,294	6,094
(Write-back)/write-down of inventory to net realisable value	(52)	1,510	1,458
Provision made for onerous contract	–	91	91
Provision made for claims	786	–	786
Reportable segment liabilities	2,668	19,258	21,926

23 OPERATING SEGMENTS (CONT'D)

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

	2013 $'000	2012 $'000
Revenue		
Total revenue for reporting segments and consolidated revenue	127,917	161,155
Profit or loss		
Total profit/(loss) for reportable segments	1,884	(7,381)
Unallocated amounts:		
– Other corporate expenses, net of income	(1,785)	(2,393)
Share of profit of associates, net of tax	1,044	858
Consolidated loss before tax	1,143	(8,916)
Assets		
Total assets for reportable segments	35,368	35,651
Other unallocated amounts	29,148	34,933
	64,516	70,584
Associates	17,010	12,499
Consolidated total assets	81,526	83,083
Liabilities		
Total liabilities for reportable segments	18,136	21,926
Other unallocated amounts	1,357	1,165
Consolidated total liabilities	19,493	23,091

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2013			
Interest income	34	84	118
Capital expenditure	14	688	702
Depreciation and amortisation	(408)	(119)	(527)
Allowance (made)/reversed for doubtful receivables	(59)	142	83
Provision made for warranty	(164)	–	(164)
Write-back of inventory to net realisable value	1,313	–	(1,313)
Provision reversed for onerous contract	91	–	91
Provision reversed for claims	218	–	218

23 OPERATING SEGMENTS (CONT'D)

Other material items (Cont'd)

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2012			
Interest income	228	173	401
Capital expenditure	–	11	11
Depreciation and amortisation	(412)	(31)	(443)
Allowance made for doubtful receivables	(6,094)	(978)	(7,072)
Write-down of inventory to net realisable value	(1,458)	–	(1,458)
Provision made for onerous contract	(91)	–	(91)
Provision made for claims	(786)	–	(786)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	2013 $'000	2012 $'000
Revenue		
Singapore	34,587	37,770
Rest of ASEAN	89,020	106,883
Greater China	1,602	7,760
United States	2,708	8,534
Others	–	208
Consolidated revenue	127,917	161,155
Non-current assets*		
Singapore	1,951	1,765
Rest of ASEAN	10	17
Greater China	213	218
	2,174	2,000

* *Non-current assets presented consist of property, plant and equipment.*

Major customer

Revenues from one customer of the Group's Trading and others segment represents approximately $36,756,000 (2012: $33,841,000) of the Group's total revenues.

24 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, and policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Risk management policy

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of loans and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of loan and receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point, the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2013, the Group and the Company does not have any collective impairment on its loans and receivables.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving derivative financial instruments are allowed only with counterparties who have sound credit ratings.

24 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (Cont'd)

Exposure to credit risk

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are regionally dispersed. The Group's historical experience in the collections of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group and the Company's trade receivables.

The maximum exposure to credit risk for trade and other receivables* at the reporting date (by operating segments) is:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Projects	464	744	464	744
Trading and others	8,836	14,892	2,776	3,197
	9,300	15,636	3,240	3,941

The Group's most significant customer, a trading customer, accounts for $822,000 (2012: $3,688,000) of the trade receivables carrying amount at 31 December 2013.

Impairment losses

The ageing of trade and other receivables* at the reporting date was:

	Gross 2013 $'000	Impairment 2013 $'000	Gross 2012 $'000	Impairment 2012 $'000
Group				
Not past due	6,056	–	9,156	(1,829)
Past due 0 – 30 days	2,771	–	7,299	–
Past due 31 – 120 days	124	–	903	–
More than 120 days	16,592	(16,243)	17,604	(17,497)
	25,543	(16,243)	34,962	(19,326)
Company				
Not past due	573	–	2,961	(1,829)
Past due 0 – 30 days	45	–	46	–
Past due 31 – 120 days	86	–	73	–
More than 120 days	9,275	(6,739)	10,918	(8,228)
	9,979	(6,739)	13,998	(10,057)

24 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (Cont'd)

Impairment losses (Cont'd)

The change in impairment loss in respect of trade and other receivables* during the year is as follows:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
At 1 January	19,326	12,437	10,057	5,406
Allowance (reversed)/made for doubtful receivables	(83)	7,072	(81)	4,673
Utilised	(3,237)	(53)	(3,237)	(22)
Effects of movements in exchange rates	237	(130)	–	–
At 31 December	16,243	19,326	6,739	10,057

* *Exclude prepayments.*

The carrying amount of financial assets in the statement of financial position represents the Group and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company does not hold any collateral in respect of its financial assets.

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amounts	Contractual cash flows	Within 1 year
	$'000	$'000	$'000
Group			
2013			
Unsecured bank loans	762	(763)	(763)
Trust receipts	10,997	(11,007)	(11,007)
Trade and other payables*	5,853	(5,853)	(5,853)
	17,612	(17,623)	(17,623)
Intra-group financial guarantee	–	(1,650)	(1,650)
	17,612	(19,273)	(19,273)

24 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (Cont'd)

Risk management policy (Cont'd)

	Carrying amounts $'000	Contractual cash flows $'000	Within 1 year $'000
Group			
2012			
Unsecured bank loans	1,774	(1,776)	(1,776)
Trust receipts	7,879	(7,889)	(7,889)
Invoice financing	451	(454)	(454)
Trade and other payables*	9,745	(9,745)	(9,745)
	19,849	(19,864)	(19,864)
Intra-group financial guarantee	–	(1,650)	(1,650)
	19,849	(21,514)	(21,514)
Company			
2013			
Trade and other payables*	1,868	(1,868)	(1,868)
2012			
Trade and other payables*	2,731	(2,731)	(2,731)

* *Exclude advance payments by customers and interest payable.*

The maturity analyses show the undiscounted cash flows of the Group and the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Except for the cash flow arising from the intra-group financial guarantee, it is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

24 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (Cont'd)

Interest rate risk

The Group's exposure to changes in interest relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. Interest rate is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group adopts a policy of constantly monitoring movements in interest rates. Presently the Group does not use derivative financial instruments to hedge its interest rate risk.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group Nominal amount		Company Nominal amount	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Financial assets	31,144	38,236	22,144	29,236
Financial liabilities	(11,759)	(10,104)	–	–
	19,385	28,132	22,144	29,236
Variable rate instrument				
Financial assets	1,823	1,832	4,223	4,232

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased (decreased) loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

	Group		Company	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
	$'000	**$'000**	**$'000**	**$'000**
2013				
Variable rate instruments	18	(18)	42	(24)
2012				
Variable rate instruments	18	(18)	42	(24)

24 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (Cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily the US dollar, Euro, British pound and Malaysian ringgit.

There is no formal hedging policy with respect to foreign exchange exposure. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group and Company's exposures to foreign currency risk were as follows based on notional amounts:

Group	Singapore dollar $'000	US dollar $'000	Euro $'000	British pound $'000	Malaysian ringgit $'000
2013					
Trade receivables	–	7,790	–	–	–
Cash and cash equivalents	95	6,944	52	61	–
Amount due from related corporation	–	35	–	–	–
Loans and borrowings	–	(11,759)	–	–	–
Trade payables	(3)	(3,860)	–	–	(19)
Amount due to related corporation	(817)	(47)	–	–	–
	(725)	(897)	52	61	(19)
2012					
Trade receivables	–	11,627	–	–	–
Cash and cash equivalents	46	4,002	50	58	–
Amount due from related corporation	–	34	–	–	–
Loans and borrowings	–	(7,310)	–	–	–
Trade payables	(33)	(6,215)	–	–	(20)
Amount due to related corporation	(3,527)	(45)	–	–	–
	(3,514)	2,093	50	58	(20)

24 FINANCIAL INSTRUMENTS (CONT'D)

Market risk (Cont'd)

Foreign currency risk (Cont'd)

Company	US dollar $'000	Euro $'000	British pound $'000	Malaysian ringgit $'000
2013				
Trade receivables	213	–	–	–
Cash and cash equivalents	575	52	61	–
Trade payables	(90)	–	–	(19)
	698	52	61	(19)
2012				
Trade receivables	163	–	–	–
Cash and cash equivalents	1,051	50	58	–
Trade payables	(87)	–	–	(20)
	1,127	50	58	(20)

Sensitivity analysis

A weakening of 10% (2012: 10%) in the following major currencies against the functional currency of each of the Group entities at 31 December would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

	Group		Company	
	2013 Profit or loss $'000	2012 Profit or loss $'000	2013 Profit or loss $'000	2012 Profit or loss $'000
Singapore dollar [1]	73	351	–	–
US dollar	90	(209)	(70)	(113)
Euro	(5)	(5)	(5)	(5)
British pound	(6)	(6)	(6)	(6)
Malaysian ringgit	2	2	2	2

[1] *as compared to functional currency of US dollar*

A 10% (2012: 10%) strengthening of the above currencies against the functional currency of each of the Group entities at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

24 FINANCIAL INSTRUMENTS (CONT'D)

Other market risk

Risk management policy

Equity price risk arises from available-for-sale equity securities. Material investments within the Group's investment portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

Sensitivity analysis – equity price risk

Most of the Group's equity investments are listed on the Singapore Exchange. For such investments classified as available-for-sale, a 2% (2012: 2%) change in the underlying equity prices at the reporting date would have increased the Group and the Company's equity by $21,600 (2012: $16,000); an equal change in the opposite direction would have decreased equity by $21,600 (2012: $16,000).

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

24 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
2013						
Available-for-sale quoted equity securities	7	–	1,082	–	1,082	1,082
Trade and other receivables*	10	9,300	–	–	9,300	9,300
Cash and cash equivalents	11	51,303	–	–	51,303	51,303
		60,603	1,082	–	61,685	61,685
Unsecured bank loans	14	–	–	(762)	(762)	(762)
Trust receipts	14	–	–	(10,997)	(10,997)	(10,997)
Trade and other payables	16	–	–	(7,570)	(7,570)	(7,570)
		–	–	(19,329)	(19,329)	(19,329)
2012						
Available-for-sale quoted equity securities	7	–	800	–	800	800
Trade and other receivables*	10	15,636	–	–	15,636	15,636
Cash and cash equivalents	11	49,139	–	–	49,139	49,139
		64,775	800	–	65,575	65,575
Unsecured bank loans	14	–	–	(1,774)	(1,774)	(1,774)
Trust receipts	14	–	–	(7,879)	(7,879)	(7,879)
Unsecured invoice financing	14	–	–	(451)	(451)	(451)
Trade and other payables	16	–	–	(11,775)	(11,775)	(11,775)
		–	–	(21,879)	(21,879)	(21,879)

* *Exclude prepayments.*

24 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (Cont'd)

Fair values versus carrying amounts (Cont'd)

Company	Note	Loans and receivables $'000	Available-for-sale $'000	Other financial liabilities within the scope of FRS 39 $'000	Total carrying amount $'000	Fair value $'000
2013						
Available-for-sale						
– Equity investments at fair value	5	–	14,870	–	14,870	14,870
– Quoted equity securities	7	–	1,082	–	1,082	1,082
Trade and other receivables*	10	3,240	–	–	3,240	3,240
Cash and cash equivalents	11	26,962	–	–	26,962	26,962
		30,202	15,952	–	46,154	46,154
Trade and other payables	16	–	–	(1,868)	(1,868)	(1,868)
2012						
Available-for-sale						
– Equity investments at fair value	5	–	13,906	–	13,906	13,906
– Quoted equity securities	7	–	800	–	800	800
Trade and other receivables*	10	3,941	–	–	3,941	3,941
Cash and cash equivalents	11	33,325	–	–	33,325	33,325
		37,266	14,706	–	51,972	51,972
Trade and other payables	16	–	–	(2,731)	(2,731)	(2,731)

* *Exclude prepayments.*

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. The Group Financial Controller has overall responsibility for all significant fair value measurements, including Level 3 fair values, where applicable.

The Group Financial Controller regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

24 FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 3 $'000	Total $'000
Group			
2013			
Available-for-sale quoted equity securities	1,082	–	1,082
2012			
Available-for-sale quoted equity securities	800	–	800
Company			
2013			
Available-for-sale			
– Equity investments at fair value	–	14,870	14,870
– Quoted equity securities	1,082	–	1,082
	1,082	14,870	15,952
2012			
Available-for-sale			
– Equity investments at fair value	–	13,906	13,906
– Quoted equity securities	800	–	800
	800	13,906	14,706

During the financial year ended 31 December 2013, there have been no transfers between Level 1, Level 2 and Level 3.

The valuation techniques and the inputs used in the fair value measurements of the financial assets and financial liabilities for measurement and/or disclosure purposes are set out in note 25.

24 FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	Equity investments at fair value $'000
Company	
At 1 January 2013	13,906
Total gains and losses for the period included in other comprehensive income	
– net change in fair value of available-for-sale equity investment	964
At 31 December 2013	14,870

25 DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investments in equity securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid prices at the reporting date without any deduction for transaction costs. If a quoted market price is not available, the fair value is estimated using valuation techniques, which includes recent arm's length prices, pricing models or discounted cash flow analysis.

In respect of the investment in subsidiaries, which are accounted for as financial assets available-for-sale, the fair value of the equity investment in subsidiaries is calculated based on the net asset value of the subsidiaries at the reporting date.

(ii) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

26 COMMITMENTS

The Group leases a number of warehouse and office facilities under operating leases. The leases typically run for initial period of three to five years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

At 31 December 2013, the Group and the Company have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Payable:				
Within 1 year	637	199	542	137
After 1 year but within 5 years	1,384	13	1,310	–
	2,021	212	1,852	137

Contingent liabilities

As at 31 December 2013, the Company has issued secured guarantees to a bank in respect of credit facilities to one of its subsidiaries of $1,650,000 (2012: $1,650,000), of which the amount utilised was Nil (2012: $451,000).

There were no terms or conditions attached to these guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Group's future cash flows.

27 RELATED PARTIES

Key management personnel compensation

Compensation payable to key management personnel comprises:

	Group	
	2013	2012
	$'000	$'000
Short-term employee benefits		
Directors' fees	343	242
Directors' remuneration	596	1,035
Key management staff	895	1,039
	1,834	2,316
Post-employment benefits		
Directors	8	16
Key management staff	57	68
	65	84

27 RELATED PARTIES (CONT'D)

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

	2013 $'000	2012 $'000
Substantial shareholder		
Operating lease expenses paid/payable to a substantial shareholder	–	189
Reimbursement of utilities to a substantial shareholder	–	63
Legal service expense paid/payable to a substantial shareholder	–	77
Human resource services expense paid/payable to a substantial shareholder	–	12

The substantial shareholder ceased to be a shareholder of the Company in December 2012.

28 SUBSIDIARIES

Name of company	Principal activities	Country of incorporation	Effective equity held by the Group 2013 %	Effective equity held by the Group 2012 %	Cost of investment 2013 $'000	Cost of investment 2012 $'000	Note
Held by Intraco Limited:							
IntraWave Pte Ltd	Provision of radio coverage system management, operation and mobile service and to supply communications equipment to other service providers.	Singapore	100	100	15,801	15,801	i
Intraco Trading Pte Ltd	Trading, marketing and distribution and acting as commission agents for industrial materials, energy commodities and agricultural products.	Singapore	100	100	12,000	12,000	i
Intraco Foods Pte Ltd	Trading and processing of agricultural and food products which include frozen seafood and fertilisers.	Singapore	100	100	10,000	10,000	i
Intraco International Pte Ltd	Investment holding company.	Singapore	100	100	1	1	i

28 SUBSIDIARIES (CONT'D)

Name of company	Principal activities	Country of incorporation	Effective equity held by the Group 2013 %	2012 %	Cost of investment 2013 $'000	2012 $'000	Note
Held by Intraco International Pte Ltd:							
Intraco International (Shanghai) Co., Ltd	Import, export and wholesale of industrial materials which include metals, plastics, petrochemicals and rubbers and commission agency business.	China	100	100	2,127	2,127	ii
Dormant							
Held by Intraco Limited:							
Sintraco Sdn. Bhd.		Malaysia	100	100	1,110	1,110	*
Held by Intraco Trading Pte Ltd:							
Orion Construction (Pte) Ltd		Singapore	100	100	50	50	i
Held by Orion Construction Pte Ltd:							
Datacliff International Ltd		British Virgin Islands	100	100	–	–	iv
Under liquidation							
Held by Intraco Limited:							
IntraPage Pte Ltd		Singapore	–	–	–	–	iii

Notes
i Audited by KPMG LLP, Singapore.
ii Audited by Zhong Hui CPA Ltd, People's Republic of China.
iii No audit was performed for 2011- 2013 as company is under liquidation.
iv Not required to be audited by law of country of incorporation.
** No audit was performed for 2012 and 2013 as company is in the process of striking off.*

KPMG LLP Singapore is the auditor of all significant Singapore-incorporated subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

29 ASSOCIATES

Name of company	Principal activities	Country of incorporation	Effective equity held by the Group 2013 %	2012 %	Cost of investment 2013 $'000	2012 $'000	Note
Held by Intraco Limited:							
Dynamic Colours Limited	Trading in colour pigments manufacture and sale of compounded resins and polyethylene packaging materials and provisions of compounding services.	Singapore	40.66	29.9	14,288	10,106	i
Tat Hong Intraco Pte Ltd	Leasing and sales of cranes and other heavy equipments.	Singapore	40	–	254	–	i

Note

i Audited by KPMG LLP, Singapore.

KPMG LLP Singapore is the auditor of all significant Singapore-incorporated associates. For this purpose, an associated company is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

Supplementary Information

(SGX-ST Listing Manual Disclosure Requirements)

1 PROPERTIES HELD BY THE GROUP

Description of properties held by the Group is as follows:

Location	Description	Tenure
22B3, No. 19 Duli Street, Yuanda Mansion, Dalian 116001	Office space	50-year lease from 30 Mar 1997 to 29 Mar 2047
17A2, No. 19 Duli Street, Yuanda Mansion, Dalian 116001	Residential apartment	50-year lease from 30 Mar 1997 to 29 Mar 2047

2 INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	2013	2013
	$'000	$'000
Investment in Tat Hong Intraco Pte Ltd	254	–

3 MATERIAL CONTRACTS

Except as disclosed in Note 27 to the financial statements, there are no other material contracts entered into between the Company and its subsidiaries involving the interests of the chief executive officer or each director of the Company during the financial year.

Shareholders' Information

As at 11 March 2014

Class of shares	:	Ordinary shares
Number of issued and fully paid shares	:	98,725,879
Number (Percentage) of Treasury Shares	:	Nil
Voting rights	:	One vote per share

TREASURY SHARES

The Company does not hold any Treasury Shares.

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 999	404	11.42	142,714	0.14
1,000 – 10,000	2,612	73.85	9,103,417	9.22
10,001 – 1,000,000	514	14.53	22,705,158	23.00
1,000,001 and above	7	0.20	66,774,590	67.64
	3,537	100.00	98,725,879	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
TH Investments Pte Ltd	–	–	29,486,148 (1)	29.87
Tat Hong Investments Pte Ltd	–	–	29,486,148 (1)	29.87
Chwee Cheng & Sons Pte Ltd	–	–	29,486,148 (1)	29.87
Ng San Tiong	–	–	29,486,148 (1)	29.87
Ng Sun Ho	–	–	29,486,148 (1)	29.87
Ng San Wee	–	–	29,486,148 (1)	29.87
Ng Sun Giam	–	–	29,486,148 (1)	29.87
Amtrek Investment Pte. Ltd.	28,856,000	29.23	–	–
Chew Leong Chee	–	–	28,856,000 (2)	29.23
Melanie Chew Ng Fung Ning	–	–	28,856,000 (3)	29.23
Resource Pacific Holdings Pte. Ltd.	–	–	28,856,000 (4)	29.23
Asia Resource Corporation Pte. Ltd.	–	–	28,856,000 (5)	29.23
Macondray Holdings Pte. Ltd.	–	–	28,856,000 (6)	29.23
Representations International (H.K.) Limited	–	–	28,856,000 (7)	29.23

Notes:

(1) Shares owned by TH Investments Pte Ltd are held under a nominee account. TH Investments Pte Ltd is wholly owned by Tat Hong Investments Pte Ltd which in turn is wholly owned by Chwee Cheng & Sons Pte Ltd. 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd is owned by the Chwee Cheng Trust constituted under a trust deed. Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam are the joint trustees of the Chwee Cheng Trust.

Pursuant to Section 7 of the Companies Act, Cap. 50 ("**Act**"), each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam have a deemed interest in the Chwee Cheng Trust's 42.03% shareholding interest in Chwee Cheng & Sons Pte Ltd and a direct interest in Chwee Cheng & Sons Pte Ltd. Accordingly, each of Mr Ng San Tiong, Mr Ng Sun Ho, Mr Ng San Wee and Mr Ng Sun Giam has a deemed interest in 29.87% of the issued share capital of the Company.

(2) Mr Chew Leong Chee ("**Mr Chew**") owns 60% direct interest and 40% indirect interest through his spouse, Dr Melanie Chew Ng Fung Ning ("**Dr Melanie Chew**"), in Resource Pacific Holdings Pte. Ltd. ("**RPHPL**"). Mr Chew also owns 37.64% and 99.99% interest in Asia Resource Corporation Pte. Ltd. ("**ARCPL**") and Pontirep Investments Limited ("**PIL**") respectively.

Shareholders' Information

As at 11 March 2014

RPHPL and PIL own 30.54% and 11.76% interest respectively in ARCPL. ARCPL owns 69.40% and 100% interest in Macondray Holdings Pte. Ltd. ("**MHPL**") and Representations International (H.K.) Limited ("**RIHKL**") respectively. MHPL owns 60% interest in Amtrek Investment Pte. Ltd. ("**AIPL**"). RIHKL owns 40% interest in AIPL.

Pursuant to Section 7 of the Act, Mr Chew is deemed to be interested in the shares held by AIPL in the Company.

(3) Dr Melanie Chew owns 40% direct interest in RPHPL. Dr Melanie Chew is also deemed to be interested in 60%, 37.64% and 99.99% interest in RPHPL, ARCPL and PIL respectively held by her spouse, Mr Chew.

RPHPL and PIL own 30.54% and 11.76% interest respectively in ARCPL. ARCPL owns 69.40% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL.

Pursuant to Section 7 of the Act, Dr Melanie Chew is deemed to be interested in the shares held by AIPL in the Company.

(4) RPHPL owns 30.54% interest in ARCPL. ARCPL owns 69.40% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL.

Pursuant to Section 7 of the Act, RPHPL is deemed to be interested in the shares held by AIPL in the Company.

(5) ARCPL owns 69.40% and 100% interest in MHPL and RIHKL respectively. MHPL owns 60% interest in AIPL. RIHKL owns 40% interest in AIPL.

Pursuant to Section 7 of the Act, ARCPL is deemed to be interested in the shares held by AIPL in the Company.

(6) MHPL owns 60% interest in AIPL.

Pursuant to Section 7 of the Act, MHPL is deemed to be interested in the shares held by AIPL in the Company.

(7) RIHKL owns 40% interest in AIPL.

Pursuant to Section 7 of the Act, RIHKL is deemed to be interested in the shares held by AIPL in the Company.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	HSBC (SINGAPORE) NOMS PTE LTD	29,496,398	29.88
2.	UOB KAY HIAN PTE LTD	28,889,088	29.26
3.	OEI HONG LEONG	3,007,000	3.05
4.	DBS NOMINEES PTE LTD	1,864,251	1.89
5.	UNITED OVERSEAS BANK NOMINEES	1,396,853	1.42
6.	MORPH INVESTMENTS LTD	1,078,000	1.09
7.	ROYAL BANK OF CANADA	1,043,000	1.06
8.	KHONG KIN PANG	819,000	0.83
9.	OCBC NOMINEES SINGAPORE	774,750	0.78
10.	GOH CHOON WEI OR GOH SOON POH	557,000	0.56
11.	TAN CHIANG SIEW OR WEE CHIEW GWEK	456,000	0.46
12.	NG HWEE KOON	433,000	0.44
13.	NG POH CHENG	426,000	0.43
14.	HL BANK NOMINEES (S) PTE LTD	417,000	0.42
15.	LEE RUBBER COMPANY PTE LTD	320,000	0.32
16.	BOON SUAN AIK	310,000	0.31
17.	SIM WEE LIM	283,000	0.29
18.	NG POH CHENG	244,768	0.25
19.	DBSN SERVICES PTE LTD	225,000	0.23
20.	TAN BOON KAY	218,000	0.22
Total		72,258,108	73.19

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

40.90% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fifth Annual General Meeting of INTRACO LIMITED (the "Company") will be held at The Theatrette @ The Chevrons, 48 Boon Lay Way, Level 3, Singapore 609961 on Wednesday, 23 April 2014 at 10:00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2013 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Articles 115 and 119 of the Company's Articles of Association:

Dr Tan Boon Wan	*(Retiring under Article 115)*	**(Resolution 2)**
Mr Shabbir s/o Hakimuddin Hassanbhai	*(Retiring under Article 119)*	**(Resolution 3)**
Mr Colin Low Tock Cheong	*(Retiring under Article 119)*	**(Resolution 4)**

Dr Tan Boon Wan will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

3. To pass the following Ordinary Resolution pursuant to Section 153(6) of the Companies Act, Cap. 50:

"That pursuant to Section 153(6) of the Companies Act, Cap. 50, Dr Tan Ng Chee be re-appointed a Director of the Company to hold office until the next Annual General Meeting."
[See Explanatory Note (i)] **(Resolution 5)**

Dr Tan Ng Chee will, upon re-election as a Director of the Company, remain as the Chairman of the Board, Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

4. To approve the payment of Directors' fees of S$343,250 for the year ended 31 December 2013 (FY2012: S$242,294). **(Resolution 6)**

5. To approve the payment of Directors' fees of S$366,667 for the year ending 31 December 2014, to be paid quarterly in arrears. **(Resolution 7)**

6. To re-appoint Messrs KPMG LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

7. To transact any other ordinary business which may be transacted at an Annual General Meeting.

Notice of Annual General Meeting

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

8. **SHARE ISSUE MANDATE**

That pursuant to Section 161 of the Companies Act, Chapter 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be given to the Directors of the Company to:

(a) allot and issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or

(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued during the continuance of such authority or thereafter, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion deem fit; and

(c) issue Shares in pursuance of any Instruments made or granted by the Board while such authority was in force, notwithstanding that such issue of Shares pursuant to such Instruments may occur after the expiration of such authority.

Provided That:

(d) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the issued shares capital (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (e) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to all shareholders of the Company (the "Shareholders") (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the issued share capital (excluding treasury shares) of the Company (as calculated in accordance with sub-paragraph (e) below);

(e) (subject to such manner of calculation as may be prescribed by the SGX-ST), the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this resolution is passed, after adjusting for:

    (i) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed;

    (ii) new Shares arising from the conversion or exercise of any convertible securities; and

    (iii) any subsequent bonus issue, consolidation or subdivision of shares;

(f) in exercising the authority conferred by this resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(g) unless revoked or varied by the Company in general meeting, the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (ii)] **(Resolution 9)**

9. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE INTRACO EMPLOYEE SHARE OPTION SCHEME**

That pursuant to Section 161 of the Companies Act, Chapter 50, the Directors be authorised and empowered to allot and issue shares in the capital of the Company to all the holders of options granted by the Company, whether granted during the subsistence of this authority or otherwise, under the INTRACO Employee Share Option Scheme (the "Scheme") upon the exercise of such options and in accordance with the terms and conditions of the Scheme, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen percent (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
[See Explanatory Note (iii)] **(Resolution 10)**

By Order of the Board

Yvonne Choo
Busarakham Kohsikaporn
Company Secretaries
Singapore, 4 April 2014

Explanatory Notes on Resolutions to be passed:

(i) The effect of the Ordinary Resolution 5 proposed in item 3 above, is to re-appoint a director who is over 70 years of age.

(ii) The Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis.

(iii) The Ordinary Resolution 10 proposed in item 9 above, if passed, will empower the Directors of the Company, to allot and issue shares in the Company of up to a number not exceeding in total 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time pursuant to the exercise of the options under the Scheme.

Notes –

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

3. The instrument appointing a proxy must be deposited at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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INTRACO LIMITED
(Incorporated in Singapore with limited liability)
(Co. Reg. No: 196800526Z)

IMPORTANT:
1. For investors who have used their CPF monies to buy INTRACO Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

*I/We, ____

of ____

being a member/members of INTRACO Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at The Theatrette @ The Chevrons, 48 Boon Lay Way, Level 3, Singapore 609961 on Wednesday, 23 April 2014 at 10:00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the financial year ended 31 December 2013		
2	Re-election of Dr Tan Boon Wan as a Director		
3	Re-election of Mr Shabbir s/o Hakimuddin Hassanbhai as a Director		
4	Re-election of Mr Colin Low Tock Cheong as a Director		
5	Re-appointment of Dr Tan Ng Chee as a Director		
6	Approval of Directors' fees amounting to S$343,250 for the year ended 31 December 2013		
7	Approval of Directors' fees amounting to S$366,667 for the year ending 31 December 2014		
8	Re-appointment of KPMG LLP as Auditors		
9	Authority to allot and issue new shares		
10	Authority to allot and issue shares under the INTRACO Employee Share Option Scheme		

* *Delete where inapplicable*

Dated this ______________ day of ______________ 2014

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)/
and, Common Seal of Corporate Shareholder

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Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. If any proxy other than the Chairman of the Meeting is to be appointed, please delete the words 'the Chairman of the Meeting', and insert the name and address of the proxy desired in the box provided. If the box is left blank or incomplete, the Chairman of the Meeting shall be deemed to be appointed as your proxy.
3. Save as provided in the Articles of Association, a member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
4. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Jurong Town Hall Road, #12-01 The JTC Summit, Singapore 609434 not less than forty-eight (48) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp
Here

Company Secretary
INTRACO Limited
8 Jurong Town Hall Road
#12-01 The JTC Summit
Singapore 609434

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Corporate Directory

Singapore

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