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

Unaudited Half Year Financial Statement for the Period Ended 30/06/2011

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

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

Consolidated income statement

	Notes	Group Period Ended 30/06/11 S$'000	30/06/10 S$'000	% Change
Continuing operations				
Revenue		86,594	63,314	36.8
Cost of sales		(83,346)	(59,801)	39.4
Gross profit		**3,248**	**3,513**	(7.5)
Other income		14	762	(98.2)
Distribution expenses		-	-	-
Administration expenses		(3,359)	(3,417)	(1.7)
Other operating expenses		(3,181)	(210)	1,414.8
Results from operating activities		**(3,278)**	**648**	(605.9)
Finance income		275	313	(12.3)
Finance expense		(67)	(35)	91.4
Net finance income		208	278	(25.3)
Share of profit of associates (net of tax)		303	385	(21.3)
(Loss) / Profit before income tax		**(2,767)**	**1,311**	(311.1)
Income tax expense		-	(1)	(100.0)
(Loss) / Profit for the period from continuing operations		**(2,767)**	**1,310**	(311.3)
Discontinued operation				
Loss from discontinued operation (net of tax)		(1,521)	(1,186)	28.2
(Loss) / Profit for the period		**(4,288)**	**124**	n.m
(Loss) / Profit attributable to :				
Owners of the Company		(4,288)	124	n.m
Non-controlling interests		-	-	-
(Loss) / profit for the period		**(4,288)**	**124**	n.m

The net (loss) / profit attributable to shareholders is stated after (charging) / crediting:-

	Group Period Ended 30/06/11 S$'000	30/06/10 S$'000	% Change
Continuing operations			
Commission income	-	11	(100.0)
Interest income	275	252	9.1
Dividend income from investments	-	56	(100.0)
Distribution from investments	-	5	(100.0)
Gain from sale of investment	-	502	(100.0)
Interest expense	(67)	(35)	91.4
Depreciation and amortisation	(2,367)	(2,615)	(9.5)
Foreign exchange losses	(796)	(221)	260.2
Doubtful debts (allowance) / write back	(2,381)	12	n.m.
Writedown of inventory to its net realisable value	(4)	-	n.m.
Discontinued operation			
Commission income	85	492	(82.7)
Interest income	-	1	(100.0)
Interest expense	(14)	(14)	0.0
Depreciation and amortisation	(18)	(135)	(86.7)
Foreign exchange losses	(162)	(60)	170.0
Doubtful debts write back	-	9	n.m.
(Writedown) / write back of inventory to its net realisable value	(67)	142	n.m.
Loss on disposal of subsidiary	(587)	-	n.m.
Income tax - over provision in respect of prior years	40	2	n.m.

	Group Period Ended		
	30/06/11	**30/06/10**	**%**
	S$'000	S$'000	Change
Income tax includes:			
Current year	-	-	n.m.
Under provision in respect of prior years	-	(1)	n.m.

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

Discontinued operation

On 3 May 2011, the Group announced its disposal of 100% interest in Intraco Technology Pte Ltd. Accordingly the Group reported this as discontinued operation for the current period. The comparative income statement has been re-presented to show the discontinued operation separately from continuing operations. The Group completed the disposal on 16 May 2011.

		Group Period Ended	
		30/06/11	**30/06/10**
Results of discontinued operation		S$'000	S$'000
Revenue		15,653	25,825
Expenses		(16,627)	(27,013)
Results from operating activities		(974)	(1,188)
Income tax credit		40	2
Results from operating activities, net of tax		(934)	(1,186)
Loss on sale of discontinued operation	*	(587)	-
Loss for the period		(1,521)	(1,186)

* included in the loss on sale of discontinued operation was a reclassification of foreign currency translation differences and share option reserves on disposal of subsidiary to profit or loss as reported in the Consolidated Statement of Comprehensive Income.

The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group Period Ended	
	30/06/11	**30/06/10**
	S$'000	S$'000
Operating cash (outflows)/inflows	**(3,436)**	3,018
Investing cash (outflows)/inflows	**(26)**	32
Financing cash inflow/(outflows)	**1,351**	(2,820)
Disposal of discontinued operation, net of cash disposed of	**(1,607)**	-
Total cash (outflows)/inflows	**(3,718)**	230

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

Consolidated statement of financial position

	Notes	Group			Company	
		30/06/11 S$'000	**31/12/10** S$'000		**30/06/11** S$'000	**31/12/10** S$'000
Assets						
Property, plant and equipment		**1,618**	4,093		**278**	300
Intangible assets		**-**	110		**-**	-
Subsidiaries		**-**	-		**23,998**	25,843
Amount due from a subsidiary		**-**	-	(a)	**-**	3,631
Associates		**12,177**	12,771		**10,106**	10,106
Other investments		**893**	940		**893**	940
Other receivables	(a)	**4,225**	735	(a)	**2,249**	735
Total non-current assets		**18,913**	18,649		**37,524**	41,555
Other investments	(b)	**22**	2,461	(b)	**-**	2,424
Inventories	(c)	**1,334**	5,577		**279**	303
Trade and other receivables	(c)	**35,010**	44,297	(a)	**15,752**	13,594
Tax receivable		**4**	-		**-**	-
Cash and cash equivalents		**36,188**	34,698		**25,397**	25,703
Total current assets		**72,558**	87,033		**41,428**	42,024
Total assets		**91,471**	105,682		**78,952**	83,579
Equity						
Share capital		**81,874**	81,874		**81,874**	81,874
Other reserves		**(1,400)**	(1,172)		**(2,107)**	(1,634)
Accumulated losses		**(8,747)**	(4,163)		**(8,395)**	(3,800)
Total equity attributable to owners of the Company		**71,727**	76,539		**71,372**	76,440
Liabilities						
Loans and borrowings		**-**	2		**-**	-
Total non-current liabilities		**-**	2		**-**	-
Trade and other payables	(c)	**11,058**	24,321		**7,580**	7,139
Loans and borrowings	(d)	**8,647**	4,781		**-**	-
Current tax payable		**39**	39		**-**	-
Total current liabilities		**19,744**	29,141		**7,580**	7,139
Total liabilities		**19,744**	29,143		**7,580**	7,139
Total equity and liabilities		**91,471**	105,682		**78,952**	83,579

Notes:

(a) The increase was for an amount due from the disposed subsidiary, which is repayable in half yearly instalments over 2 years.

(b) The reduction in other investment was due to reclassification of a held-to-maturity note that matured in June 2011 to trade and other receivables as it is pending settlement. The amount was received on 2 August 2011.

(c) The reduction was mainly due to assets and liabilities of a subsidiary disposed in May 2011.

(d) The increase in loans and borrowings was due to increase in financing of trade payables.

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

Amount repayable in one year or less, or on demand

As at 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	8,647	8	4,773

Amount repayable after one year

As at 30/06/11		As at 31/12/10	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	2	-

Details of any collateral

The secured borrowings are outstanding obligations under a finance lease of a subsidiary which has been disposed in May 2011.

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

Consolidated Statement of Cash Flows

	Group	
	30/06/11 S$'000	**30/06/10** S$'000
Cash flows from operating activities		
(Loss) / profit for the period	**(2,767)**	1,310
Adjustments for:		
Depreciation of property, plant and equipment	**2,367**	2,615
Gain from sale of investment	**-**	(502)
Allowance / (writeback) for doubtful debts	**2,381**	(21)
Allowance / (writeback) for inventory to its net realisable value	**4**	(142)
Loss on sale of discontinued operation, net of tax	**587**	-
Share of profit of associates, net of tax	**(303)**	(385)
Net finance income	**(208)**	(278)
Income tax expense	**-**	1
	2,061	2,598
Changes in inventories	**(785)**	700
Changes in trade and other receivables	**(5,456)**	(14,156)
Changes in trade and other payables	**4,438**	1,512
Restricted bank deposits	**1,250**	(2,900)
Cash generated from/(used in) operating activities	**1,508**	(12,246)
Interest received	**56**	40
Interest paid	**(62)**	(33)
Income taxes paid	**(4)**	(96)
Cash flows from operating activities	**1,498**	(12,335)
Cash flows (used in)/from discontinued operation	**(3,436)**	3,018
	(1,938)	(9,317)
Cash flows from investing activities		
Dividends received	**-**	56
Distribution from investments	**-**	5
Repayment of loan	**50**	-
Purchase of property, plant and equipment	**-**	(186)
Proceeds from sale of investment	**-**	502
Proceeds from sale of associate	**97**	-
Dividends from an associate	**314**	471
Disposal of discontinued operation, net of cash disposed of	**(1,607)**	-
Cash flows from investing activities	**(1,146)**	848
Cash flows (used in)/from discontinued operation	**(26)**	32
	(1,172)	880
Cash flows from financing activities		
Proceeds from borrowings	**9,881**	6,561
Repayment of borrowings	**(4,773)**	(5,633)
Dividend paid by the Company	**(296)**	(986)
Deposits pledged	**-**	2,900
Cash flows from financing activities	**4,812**	2,842
Cash flows from/(used in) discontinued operation	**1,351**	(2,820)
	6,163	22
Net increase / (decrease) in cash and cash equivalents	**3,053**	(8,415)
Cash and cash equivalents at 1 January	**31,798**	32,868
Effects of exchange rate fluctuations on cash held	**(313)**	(68)
Cash and cash equivalents at 30 June	**34,538**	24,385
Comprising:		
Cash at bank and in hand	**17,944**	12,441
Fixed deposits with banks	**18,244**	14,844
	36,188	27,285
Restricted bank deposits	**(1,650)**	(2,900)
	34,538	24,385

Effect of disposal on the financial position of the Group

	$'000
Property, plant and equipment	(72)
Intangibles assets	(136)
Other investment	(15)
Inventories	(6,313)
Trade and other receivables	(8,195)
Cash and cash equivalents	(1,721)
Trade and other payables	13,716
Loans and borrowings	2,595
Net assets and liabilities	(141)
Consideration received, satisfied in cash	114
Cash and cash equivalents disposed of	(1,721)
Net cash outflow	**(1,607)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	30/06/11 S$'000	30/06/10 S$'000	% Change
(Loss) / Profit for the period	(4,288)	124	n.m.
Other comprehensive income			
Change in fair value of available-for-sale financial assets	(47)	(24)	95.8
Foreign currency translation differences and share option reserves on disposal of subsidiary reclassified to profit or loss	560	-	n.m.
Foreign currency translation differences - foreign operations	(749)	(20)	n.m.
Share of an associate's non distributable reserve	8	-	n.m.
Share-based expenses of a subsidiary	-	19	(100.0)
Other comprehensive income for the period, net of tax	(228)	(25)	n.m.
Total comprehensive income for the period	(4,516)	99	n.m.
Attributable to:			
Owners of the Company	(4,516)	99	n.m.
Non-controlling interests	-	-	n.m.
Total comprehensive income for the period	(4,516)	99	n.m.

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

Statement of Changes in Equity:

Group (S$'000)	Share capital	Share option reserve	Capital reserve	Currency translation reserve	Fair value reserve	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total equity
As at 1 January 2011	**81,874**	**168**	**933**	**(2,555)**	**282**	**(4,163)**	**76,539**	**-**	**76,539**
Total comprehensive income for the period									
Loss for the period	-	-	-	-	-	(4,288)	(4,288)	-	(4,288)
Other comprehensive income									
Change in fair value of available-for-sale financial assets	-	-	-	-	(47)	-	(47)	-	(47)
Foreign currency translation differences and share option reserves on disposal of subsidiary reclassified to profit or loss	-	(168)	-	728	-	-	560	-	560
Foreign currency translation differences - foreign operations	-	-	-	(749)	-	-	(749)	-	(749)
Share of an associate's non distributable reserve	-	-	8	-	-	-	8	-	8
Total other comprehensive income	-	(168)	8	(21)	(47)	-	(228)	-	(228)
Total comprehensive income for the period	-	(168)	8	(21)	(47)	(4,288)	(4,516)	-	(4,516)
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners									
Dividends to owners of the Company	-	-	-	-	-	(296)	(296)	-	(296)
Total distributions to owners of the Company	-	-	-	-	-	(296)	(296)	-	(296)
As at 30 June 2011	**81,874**	**-**	**941**	**(2,576)**	**235**	**(8,747)**	**71,727**	**-**	**71,727**
As at 1 January 2010	**81,874**	**168**	**3,453**	**(1,248)**	**188**	**(6,074)**	**78,361**	**-**	**78,361**
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	124	124	-	124
Other comprehensive income									
Change in fair value of available-for-sale financial assets	-	-	-	-	(24)	-	(24)	-	(24)
Foreign currency translation differences - foreign operations	-	-	-	(20)	-	-	(20)	-	(20)
Share-based expenses of a subsidiary	-	19	-	-	-	-	19	-	19
Total other comprehensive income	-	19	-	(20)	(24)	-	(25)	-	(25)
Total comprehensive income for the period	-	19	-	(20)	(24)	124	99	-	99
Transactions with owners of the Company, recognised directly in equity									
Distributions to owners									
Dividends to owners of the Company	-	-	-	-	-	(986)	(986)	-	(986)
Total distributions to owners of the Company	-	-	-	-	-	(986)	(986)	-	(986)
Transfer of reserves due to deconsolidation of a subsidiary	-	-	(2,337)	-	-	2,337	-	-	-
Share of an associate's transfer from accumulated profit		-	23	-	-	(23)	-	-	-
Transfer between reserves	-	-	(2,314)	-	-	2,314	-	-	-
As at 30 June 2010	**81,874**	**187**	**1,139**	**(1,268)**	**164**	**(4,622)**	**77,474**	**-**	**77,474**

Statement of Changes in Equity (cont'd) :

Company (S$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2011	**81,874**	**(1,634)**	**(3,800)**	**76,440**
Total comprehensive income for the period				
Loss for the period	-	-	(4,299)	(4,299)
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	(473)	-	(473)
Total other comprehensive income	-	(473)	-	(473)
Total comprehensive income for the period	-	(473)	(4,299)	(4,772)
Transactions with owners of the Company, recognised directly in equity				
Distributions to owners				
Dividends to owners of the Company	-	-	(296)	(296)
Total distributions to owners of the Company	-	-	(296)	(296)
As at 30 June 2011	**81,874**	**(2,107)**	**(8,395)**	**71,372**
As at 1 January 2010	**81,874**	**(1,223)**	**(5,831)**	**74,820**
Total comprehensive income for the period				
Profit for the period	-	-	584	584
Other comprehensive income				
Change in fair value of available-for-sale financial assets	-	(1,726)	-	(1,726)
Total other comprehensive income	-	(1,726)	-	(1,726)
Total comprehensive income for the period	-	(1,726)	584	(1,142)
Transactions with owners of the Company, recognised directly in equity				
Distributions to owners				
Dividends to owners of the Company	-	-	(986)	(986)
Total distributions to owners of the Company	-	-	(986)	(986)
As at 30 June 2010	**81,874**	**(2,949)**	**(6,233)**	**72,692**

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

As at 30 June 2011, there were unexercised options for 105,000***** (30 June 2010: 639,000) of unissued ordinary shares with exercise price of $0.50 each under the Intraco Limited Share Option Scheme 2000.
* Note: 121,000 share option expired on 29 March 2011.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	As at 30/06/11	As at 31/12/10
Total number of issued shares excluding treasury shares	98,635,879	98,635,879

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

The Company does not have any treasury shares as at 30 June 2011.

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

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

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

Not applicable

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

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2010.

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

NIL

6 Earnings Per Ordinary Share (EPS)

	Group	
	Period 30/06/11	**Period 30/06/10**
Loss per ordinary share for the period based on net profit attributable to shareholders:	cents	cents
- Basic and Diluted based on the weighted average number of ordinary shares in issue		
Continuing operations	(2.81)	1.33
Discontinued operation	(1.54)	(1.20)
Total	(4.35)	0.13

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

	Group		Company	
	As at 30/06/11	As at 31/12/10	As at 30/06/11	As at 31/12/10
Net asset value per ordinary share based on issued share capital at the end of the period	$0.73	$0.78	$0.72	$0.77

8 Review of Performance

On 3 May 2011, the Group announced its disposal of 100% interest in Intraco Technology Pte Ltd, a subsidiary reported under the Semiconductor segment. With the disposal, the Group ceased to operate in this segment. Consequently, the results of Intraco Technology are captured under "Discontinued Operation" for the current period and the comparatives have been re-presented accordingly.

At disposal, Intraco Technology reported an operating loss after tax of S$0.934 million and the Group's loss on disposal was S$0.587 million including a reclassification of foreign currency translation differences and share option reserves of S$0.56 million to the profit or loss. The total loss reported for the discontinued operation for the period ended 30 Jun 2011 was S$1.521 million.

Continuing operations

Revenue

Comparing the first half of 2011 to the same period of 2010, the Group reported an increase in revenue of S$23.3 million (or 36.8%) to S$86.6 million for the first half of 2011.

Revenue for the Trading and Others segment increased by S$27.6 million (or 51%) to S$82.2 million for the first half of 2011. Plastic trading, which represents a significant contribution to this segment has continued its good performance, growing by 72%. The increase was mainly due to more export to Vietnam and Myanmar and an expansion of the supply base.

Revenue from Projects has decreased by S$4.3 million in the current period from S$8.8 million in the same period last year. The reduction in revenue for Projects was due to fewer projects secured.

Group's loss before tax

In comparison of the first half of 2011 to the same period in 2010, the Group posted a loss before tax of about S$2.77 million for the current period against S$1.31 million profit for the same period last year.

Trading and Others segment registered a profit before tax of S$0.29 million in the current period, a reduction of S$0.58 million from same period last year. The decrease was due to lower margins despite a higher volume of export sales for Plastic trading and higher foreign exchange losses reported in the current period.

Projects segment reported a loss before tax of S$2.13 million for the current period against a profit of S$0.35 million for same period last year. The loss was mainly due to provision for doubtful debts.

The Group's Other Corporate Expenses was S$1.23 million in the current period, an increase of S$0.94 million compared to the same period last year. The increase was mainly due to non-recurring income recorded in the first half of 2010 arising from a gain on disposal of investment of S$0.5 million and write back of non-operating expenses of S$0.3 million.

The Group's share of profit from its associates was about S$0.3 million for the first half of 2011 as compared to S$0.39 million in the same period last year.

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

Not applicable

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

The Group expects the operating environment will continue to be challenging.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

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

13 Business Segmental Information

By operating segments for the period ended 30 June 2011

$'000	Projects	Semi-conductors (Discontinued operation)	Trading and Others	Consolidated
External revenue	4,440	15,653	82,154	102,247
Interest income	-	-	12	12
Interest expense	-	(14)	(67)	(81)
Depreciation and amortisation	-	(18)	(2,345)	(2,363)
Reportable segment profit/(loss) before income tax	(2,127)	(974)	286	(2,815)
Reportable segment assets	1,859	-	36,781	38,640
Capital expenditure	-	26	-	26
Reportable segment liabilities	2,065	-	15,936	18,001

By operating segments for the period ended 30 June 2010

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

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

	30/06/11 $'000	30/06/10 $'000
Revenue		
Total revenue for reporting segments	102,247	89,139
Reclassification to discontinued operation	(15,653)	(25,825)
Consolidated revenue	86,594	63,314
Profit or loss		
Total profit/(loss) for reporting segments	(2,815)	25
Reclassification to discontinued operation	974	1,188
	(1,841)	1,213
Unallocated amounts:		
- Other corporate expenses or income	(1,229)	(287)
Share of profit of associates, net of tax	303	385
Consolidated profit for continuing operations before income tax	(2,767)	1,311
Assets		
Total assets for reportable segments	38,640	57,875
Other unallocated amounts	40,654	36,587
	79,294	94,462
Investments in associates	12,177	13,958
Consolidated total assets	91,471	108,420
Liabilities		
Total liabilities for reporting segments	18,001	14,040
Other unallocated amounts	1,743	16,906
Consolidated total liabilities	19,744	30,946

Business Segmental Information (cont'd)

Other material items

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
2011			
Interest income	12	263	275
Capital expenditure	26	-	26
Depreciation and amortisation	(2,363)	(22)	(2,385)
2010			
Interest income	2	251	253
Capital expenditure	351	11	362
Depreciation and amortisation	(2,710)	(40)	(2,750)

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Refer to section 8

15 Interested person transactions

Nil

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

The Board of Directors has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results to be false or misleading.

BY ORDER OF THE BOARD

Wee Jee Kin
Company Secretary
04/08/11