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

Unaudited Financial Statement for the Half-year Ended 30/06/2015

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

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

Consolidated income statement	**Group Period Ended**		
	30/06/15 S$'000	**30/06/14** S$'000	**%** Change
Revenue	58,560	68,374	(14.4)
Cost of sales	(53,020)	(66,776)	(20.6)
Gross profit	**5,540**	**1,598**	246.7
Other income	415	138	200.7
Distribution expenses	(30)	-	n.m
Administration expenses	(5,327)	(3,225)	65.2
Other expenses	(54)	(53)	1.9
Results from operating activities	**544**	**(1,542)**	n.m
Finance income	328	547	(40.0)
Finance costs	(201)	(77)	161.0
Net finance income	**127**	**470**	(73.0)
Share of profit of associate and joint venture (net of tax)	690	486	42.0
Profit/(Loss) before tax	**1,361**	**(586)**	n.m
Tax expense	(196)	-	n.m
Profit/(Loss) for the period	**1,165**	**(586)**	n.m

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

		Group Period Ended		
		30/06/15 S$'000	**30/06/14** S$'000	**%** Change
Interest income	(1)	328	55	496.4
Gain on disposal of other investment	(2)	-	492	(100.0)
Interest expense from loans and borrowings	(3)	(201)	(77)	161.0
Depreciation of property, plant and equipment	(4)	(542)	(300)	80.7
Amortisation of intangible assets	(5)	(149)	-	n.m.
Foreign exchange losses		(21)	(36)	(41.7)
Write-back of inventory to net realisable value		12	-	n.m.

Notes to Consolidated Income Statement

(1) Interest income increased mainly due to additional interest of S$252,000 earned from the available-for-sale debt securities purchased in second half of FY2014.

(2) A gain of S$492,000 on disposal of a non-core investment was recognised in first half of FY2014.

(3) Interest expense increased mainly due to the higher utilisation of trade financing facilities from banks and the inclusion of interest expense of S$36,000 incurred by the newly acquired KA Group in second half of FY2014.

(4) The increase in depreciation was mainly due to the inclusion of additional depreciation expense of S$212,000 charged by the newly acquired KA Group in second half of FY2014.

(5) The amortisation was charged on the intangible asset arising from the acquisition of KA Group in second half of FY2014.

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

Statements of financial position

		Group			Company	
		30/06/15	31/12/14		30/06/15	31/12/14
	Notes	S$'000	S$'000	Notes	S$'000	S$'000
Assets						
Property, plant and equipment		**8,610**	9,091		**541**	631
Intangible assets and goodwill		**7,579**	7,728		**-**	-
Subsidiaries		**-**	-		**14,734**	14,762
Associate and joint venture		**19,266**	19,490	-	**17,060**	16,980
Other investments	(a)	**9,964**	9,234	(a)	**9,964**	9,234
Non-current assets		**45,419**	45,543		**42,299**	41,607
Other investments (incl derivatives)		**-**	-		**-**	62
Inventories	(b)	**2,218**	1,459		**-**	-
Trade and other receivables	(c)	**13,748**	21,608		**19,902**	19,120
Cash and cash equivalents	(d)	**30,554**	38,760		**8,130**	8,391
Current assets		**46,520**	61,827		**28,032**	27,573
Total assets		**91,939**	107,370		**70,331**	69,180
Equity						
Share capital		**84,069**	84,069		**84,069**	84,069
Reserves		**(152)**	(351)		**971**	1,078
Accumulated losses		**(19,530)**	(20,395)		**(25,929)**	(25,110)
Total equity		**64,387**	63,323		**59,111**	60,037
Liabilities						
Loans and borrowings	(e)	**2,023**	2,093		**-**	**-**
Trade and other payables		**5,853**	5,938		**-**	**-**
Deferred tax liabilities		**797**	796		**-**	**-**
Total non-current liabilities		**8,673**	8,827		**-**	-
Trade and other payables	(c)	**6,355**	15,303		**11,056**	8,979
Provisions		**164**	164		**164**	164
Loans and borrowings	(e)	**11,908**	19,373		**-**	-
Current tax payable		**452**	380		**-**	-
Current liabilities		**18,879**	35,220		**11,220**	9,143
Total liabilities		**27,552**	44,047		**11,220**	9,143
Total equity and liabilities		**91,939**	107,370		**70,331**	69,180

Notes:

(a) The increase in other investments was mainly due to the purchase of available-for-sale debt securities of S$808,000 in the first half of FY2015.

(b) The increase in inventories was mainly due to higher level of inventories held in both trading and project business. This was to fulfill customers' order in July 2015.

(c) The decrease in receivables and payables was attributable to the decrease in receivables and payables for plastic resin trading as a result of reduced sales and purchases in the first half of FY2015.

(d) The decrease in cash and cash equivalents was mainly due to the repayment of borrowings in the first half of FY2015.

(e) The decrease in loans and borrowings was mainly due to repayment of trade financing loans to banks at end of HY2015.

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

Amount repayable in one year or less, or on demand

As at 30/06/15		As at 31/12/14	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
172	11,736	205	19,168

Amount repayable after one year

As at 30/06/15		As at 31/12/14	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
2,023	-	2,093	-

Details of any collateral

The secured bank loans of the Group are secured over the leasehhold land and building with carrying amounts of $6,664,000.

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

Consolidated statement of cash flows	**Group**	
	30/06/15	**30/06/14**
Cash flows from operating activities	S$'000	S$'000
Profit/(Loss) for the year	**1,165**	(586)
Adjustments for:		
Depreciation of property, plant and equipment	**542**	300
Amortisation of intangible assets	**149**	-
Gain on sale of property, plant and equipment	**(11)**	-
Write-back of trade payables	**(229)**	-
Write-off of trade receivables	**45**	-
Write-back of inventory to net realisable value	**(12)**	-
Share of profit of associates and joint venture, net of tax	**(690)**	(486)
Change in fair value of the contingent consideration	**(85)**	-
Net finance income	**(127)**	(470)
Tax expense	**196**	-
	943	(1,242)
Change in inventories	**(747)**	214
Change in trade and other receivables	**7,815**	(2,458)
Change in trade and other payables	**(9,019)**	3,267
	(1,008)	(219)
Interest received	**328**	63
Interest paid	**(201)**	(81)
Taxes paid	**(124)**	-
Net cash flow used in operating activities	**(1,005)**	(237)
Cash flows from investing activities		
Additional investment in associate & joint venture	**(80)**	(2,263)
Purchase of property, plant and equipment	**(61)**	-
Proceeds from sale of other investments	**-**	1,043
Dividends from an associate	**1,300**	1,707
Proceeds from sale of property, plant and equipment	**11**	-
Acquisition of other investments	**(808)**	-
Net cash flows from investing activities	**362**	487
Cash flows from financing activities		
Proceeds from borrowings	**11,735**	14,551
Repayment of borrowings	**(19,214)**	(11,759)
Payment of finance lease liabilities	**(56)**	-
Deposits pledged	**(29)**	-
Net cash flows (used in)/ from financing activities	**(7,564)**	2,792
Net (decrease)/increase in cash and cash equivalents	**(8,207)**	3,042
Cash and cash equivalents at 1 January	**38,647**	51,303
Effects of exchange rate fluctuations on cash held	**(28)**	(246)
Cash and cash equivalents at 30 June	**30,412**	54,099
Comprising:		
Cash at bank and in hand	**19,180**	31,099
Fixed deposits with banks	**11,374**	23,000
Cash and cash equivalents in the statement of financial position	**30,554**	54,099
Deposits pledged	**(142)**	-
	30,412	**54,099**

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

Consolidated statement of comprehensive income	Group Period Ended 30/06/15 S$'000	30/06/14 S$'000	% Change
Profit/(Loss) for the period	1,165	(586)	n.m.
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	(79)	(531)	n.m.
Foreign currency translation differences of foreign operations	278	(340)	(181.8)
Total items that may be reclassified subsequently to profit or loss	199	(871)	(122.8)
Other comprehensive income for the period, net of tax	199	(871)	(122.8)
Total comprehensive income for the period	1,364	(1,457)	n.m.

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

Consolidated statements of changes in equity

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

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

As at 1 January 2014	**81,919**	**986**	**(2,001)**	**531**	**(19,402)**	**62,033**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(586)	(586)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(531)	-	(531)
Foreign currency translation differences of foreign operations	-	-	(340)	-	-	(340)
Total other comprehensive income	-	-	(340)	(531)	-	**(871)**
Total comprehensive income for the period	**-**	**-**	**(340)**	**(531)**	**(586)**	**(1,457)**
As at 30 June 2014	**81,919**	**986**	**(2,341)**	**-**	**(19,988)**	**60,576**

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

Company (S$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2015	**84,069**	**1,078**	**(25,110)**	**60,037**
Total comprehensive income for the period				
Loss for the period	**-**	-	(819)	(819)
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	**-**	(107)	-	(107)
Total other comprehensive income	-	(107)	-	(107)
Total comprehensive income for the period	**-**	**(107)**	**(819)**	**(926)**
As at 30 June 2015	**84,069**	**971**	**(25,929)**	**59,111**
As at 1 January 2014	81,919	1,755	(24,087)	59,587
Total comprehensive income for the period				
Profit for the period	-	-	629	629
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	(364)	-	(364)
Total other comprehensive income	-	(364)	-	(364)
Total comprehensive income for the period	**-**	**(364)**	**629**	**265**
As at 30 June 2014	**81,919**	**1,391**	**(23,458)**	**59,852**

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

There are no changes in the Company's share capital since 31 December 2014.
No share options had been granted under the INTRACO Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding share options as at 30 June 2015.

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 30/06/15	As at 31/12/14
Total number of issued shares excluding treasury shares	103,725,879	103,725,879

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

The Company does not have any treasury shares as at 30 June 2015.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2014, except for the adoption of new/revised financial reporting standards (FRS) applicable for the financial period beginning 1 January 2015 as follows:
- Amendments to FRS 19 Defined Benefit Plans: Employee Contributions
- Improvements to FRSs (January 2014)
- Improvements to FRSs (February 2014)

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRSs.

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

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

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

	Group	
	Period ended 30/06/15	**Period ended 30/06/14**
Earnings per ordinary share for the period based on net profit attributable to shareholders:	cents	cents
- based on the weighted average number of ordinary shares in issue and on a fully diluted basis	1.12	(0.59)

The weighted average number of ordinary shares in issue for the period ended 30 June 2015 was 103,725,879 (30 June 2014: 98,725,879).

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

	Group		Company	
	As at 30/06/15	**As at 31/12/14**	**As at 30/06/15**	**As at 31/12/14**
Net asset value per ordinary share based on issued share capital at the end of the period	$0.62	$0.61	$0.57	$0.58

8 **Review of Performance**

Revenue

Revenue was S$58.6 million in the first half of FY2015 ("1H2015"), a decrease of S$9.8 million, or 14.4%, below that of S$68.4 million reported for the first half of FY2014 ("1H2014") mainly due to lower revenue from the Trading & Others segment.

Revenue from the Trading & Others segment decreased S$14.8 million, or 21.9%, from S$67.5 million in 1H2014 to S$52.7 million in 1H2015. The decrease was mainly due to a shortage of resin supplies in 1H2015. Revenue contribution from the Trading & Others segment made up about 90% of the Group's revenue for 1H2015.

Revenue from the Projects segment increased S$4.9 million from S$0.9 million in 1H2014 to S$5.8 million in 1H2015. The increase was mainly due to the inclusion of revenue generated from the newly acquired KA Group. Revenue contribution from the Projects segment made up about 10% of the Group's revenue for 1H2015.

Gross profit

Gross profit increased by S$3.9 million from S$1.6 million in 1H2014 to S$5.5 million in 1H2015. The increase was mainly due to the inclusion of gross profit generated by the newly acquired KA Group.

Other income

Other income mainly comprised the write back of unclaimed trade payables of S$0.2 million, government grants of S$0.06 million and gain on disposal of fixed assets of S$0.01 million.

Administrative expenses

Administrative expenses increased by S$2.1 million from S$3.2 million in 1H2014 to S$5.3 million in 1H2015. The increase was mainly due to the inclusion of administrative expenses incurred by the newly acquired KA Group.

Finance income

Finance income decreased by S$0.2million from S$0.5 million in 1H2014 to S$0.3 million in 1H2015 despite an increase in interest income of S$0.3 million derived from the available-for-sales investments purchased at the end of FY2014 and January FY2015. The decrease was attributed to the absence of a gain from disposal of non-core investment of S$0.5 million recognised in 1H2014.

Share of profit of associates

The Group's share of results from associate and joint venture increased by S$0.2 million from a S$0.5 million in 1H2014 to S$0.7 million in 1H2015 due mainly to a higher contribution from Dynamic Colours Limited.

Group profit before tax

Consolidated profit before tax was S$1.4 million for 1H2015 compared to loss before tax of S$0.6 million reported in 1H2014, an increase of $2.0 million. The increase in consolidated profit before tax was mainly due to the inclusion of the profit generated by the newly acquired KA Group.

Tax expense

The increase in tax expense was mainly due to the inclusion of income tax expense incurred by the newly acquired KA Group.

Consolidated statement of cash flow

The Group's cash & bank balances decreased by S$8.2 million, or 21.2%, from S$38.6 million to S$30.4 million as at 30 June 2015.

Net cash flow used in operating activities amounted to S$1.0 million in 1H2015. The net cash used in the working capital of S$2.0 million was mainly due to the decrease in trade and other payables of S$9.0 million and increase in inventories of S$0.7 million, which was partially offset by the decrease in trade and other receivables of S$7.8 million.

Net cash flow from investing activities amounted to S$0.4 million in 1H2015. This was attributable mainly to the dividend income of S$1.3 million received from an associate, which was partially offset by the acquisition of other investment of S$0.8 million.

There was a net cash outflow in financing activities of S$7.6 million due mainly to the repayment of bank borrowings of S$19.2 million during the period, which was partially offset by the proceeds from bank borrowings of S$11.7 million.

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 outlook of the key economies worldwide continues to be unpredictable. In particular, the oil and gas industry remains volatile. These factors have therefore resulted in business uncertainties. In line with this, the Group expects its operating environment to be challenging in the next 12 months, especially for its plastics resin trading business which is dependent on commodity prices.

Despite the slowdown in the Singapore construction industry as a result of various property cooling measures implemented by the government, the Group is cautiously optimistic that its Projects segment will turn in better performance.

The Group will continue to explore new business opportunities for growth via merger and acquisitions initiatives.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

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

13 Business Segmental Information

By operating segments for the period ended 30 June 2015

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

By operating segments for the period ended 30 June 2014

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

Business Segmental Information (cont'd)

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

	30/06/15 S$'000	30/06/14 S$'000
Revenue		
Total revenue for reporting segments	58,560	68,374
Profit or loss		
Total profit/(loss) for reporting segments	1,526	(125)
Unallocated amounts:		
- Other corporate expenses, net of income	(855)	(947)
Share of profit of associates, net of tax	690	486
Consolidated (loss)/ profit for continuing operations before tax	1,361	(586)
Assets		
Total assets for reportable segments	53,690	41,523
Other unallocated amounts	18,983	26,771
	72,673	68,294
Investments in associate and joint venture	19,266	17,725
Consolidated total assets	91,939	86,019
Liabilities		
Total liabilities for reporting segments	21,632	24,545
Other unallocated amounts	5,920	898
Consolidated total liabilities	27,552	25,443

Other material items

	Reportable segment totals	Adjustments	Consolidated totals
	S$'000	S$'000	S$'000
30 June 2015			
Interest income	66	262	328
Depreciation and amortisation	(600)	(91)	(691)
30 June 2014			
Interest income	22	33	55
Depreciation and amortisation	(205)	(95)	(300)

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**

Name of Interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	S$'000	S$'000
Tat Hong Heavy Equipment (Pte) Ltd	1,249	-

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

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

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

On behalf of the Board of Directors,

Mr Colin Low
Chairman & Independent Director

Mr Foo Der Rong
Managing Director & Chief Executive Officer

BY ORDER OF THE BOARD

Busarakham Kohsikaporn
Company Secretary
14/08/2015