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

Unaudited Financial Statement for the half year ended 30/06/2017

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**		
	30/06/17	**30/06/16**	**%**
	S$'000	S$'000	Change
Revenue	56,756	43,348	30.9
Cost of sales	(51,896)	(38,609)	34.4
Gross profit	**4,860**	**4,739**	2.6
Other income	258	137	88.3
Distribution expenses	(41)	(34)	20.6
Administration expenses	(5,423)	(6,165)	(12.0)
Other expenses	(236)	(381)	(38.1)
Results from operating activities	**(582)**	**(1,704)**	(65.8)
Finance income	348	320	8.8
Finance costs	(158)	(116)	36.2
Net finance income	**190**	**204**	(6.9)
Share of net profit of equity-accounted investees, net of tax	958	851	12.6
Profit/(Loss) before tax	**566**	**(649)**	(187.2)
Tax (expense)/credit	(56)	58	(196.6)
Profit/(Loss) for the period	**510**	**(591)**	(186.3)

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

		Group Period Ended		
		30/06/17	**30/06/16**	**%**
		S$'000	S$'000	Change
Loss on disposal of property, plant and equipment		-	(9)	(100.0)
Depreciation of property, plant and equipment		(429)	(475)	(9.7)
Property, plant and equipment written off		(23)	-	n.m.
Amortisation of intangible assets	(1)	(38)	(150)	(74.7)
Foreign exchange losses	(2)	(166)	(381)	(56.4)
Write-back of trade payables		-	5	(100.0)
Allowance made for doubtful receivables		(69)	-	n.m.
Reversal of write-down of inventory to net realisable value		3	-	n.m.
Change in fair value of contingent consideration		(155)	(292)	(46.9)

Notes to Consolidated Statement of Comprehensive Income

(1) The decrease in amortisation of intangible assets was mainly due to an intangible asset being fully amortised in the prior year.

(2) Foreign exchange losses arose mainly from the revaluation of the receivables and cash and bank balances denominated in USD. During the period, the SGD has appreciated against the USD.

n.m. - denotes not meaningful

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	
		30/06/17	31/12/16		30/06/17	31/12/16
	Notes	S$'000	S$'000	Notes	S$'000	S$'000
Assets						
Property, plant and equipment	(a)	**8,826**	7,402		**498**	326
Intangible assets		**7,092**	7,130		**-**	-
Subsidiaries		**-**	-		**17,091**	16,920
Associate and joint venture	(b)	**20,539**	21,867		**16,735**	16,827
Other investments, including derivatives		**9,808**	9,744		**9,808**	9,744
Non-current assets		**46,265**	46,143		**44,132**	43,817
Other investments, including derivatives		**-**	-		**1,849**	1,480
Inventories		**2,084**	1,532		**-**	-
Trade and other receivables	(c)	**23,551**	15,773		**20,037**	21,283
Cash and cash equivalents	(d)	**28,105**	44,103		**8,986**	8,006
Current assets		**53,740**	61,408		**30,872**	30,769
Total assets		**100,005**	107,551		**75,004**	74,586
Equity						
Share capital		**84,069**	84,069		**84,069**	84,069
Reserves		**(670)**	349		**3,173**	2,937
Accumulated losses		**(17,229)**	(17,813)		**(24,614)**	(24,853)
Equity attributable to owners of the Company		**66,170**	66,605		**62,628**	62,153
Liabilities						
Loans and borrowings		**1,860**	1,935		**-**	**-**
Trade and other payables		**6,495**	6,340		**-**	**-**
Deferred tax liabilities		**584**	617		**-**	**-**
Total non-current liabilities		**8,939**	8,892		**-**	-
Loans and borrowings	(e)	**16,639**	26,127		**-**	-
Trade and other payables	(c)	**7,887**	5,483		**12,376**	12,433
Current tax liabilities		**370**	444		**-**	-
Current liabilities		**24,896**	32,054		**12,376**	12,433
Total liabilities		**33,835**	40,946		**12,376**	12,433
Total equity and liabilities		**100,005**	107,551		**75,004**	74,586

Notes:

(a) The increase in property, plant and equipment was mainly due to additional plant and equipment purchased for infrastructure projects during the period.

(b) The decrease in associate and joint venture was due to the dividends received from an associate of S$1.3 million.

(c) The increase in trade receivables and trade payables was attributable to the increase in receivables and payables for plastic resin trading as a result of higher sales and purchases in the first half of FY2017.

(d) The decrease in cash and cash equivalents was mainly due to the repayment of loans and borrowings and purchase of plant and equipment in the first half of FY2017.

(e) The decrease in loans and borrowings was mainly due to repayment of trade financing borrowings to banks during the period.

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

Amount repayable in one year or less, or on demand

As at 30/06/17		As at 31/12/16	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
150	16,489	148	25,979

Amount repayable after one year

As at 30/06/17		As at 31/12/16	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1,860	-	1,935	-

Details of any collateral

The secured bank loans and finance lease liabilities of the Group are secured over the leasehold properties and motor vehicles of the Group with carrying amounts of S$6,455,000 (31 Dec 2016: $6,575,000).

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	
	30/06/17	**30/06/16**
Cash flows from operating activities	S$'000	S$'000
Profit/(Loss) for the period	**510**	(591)
Adjustments for:		
Depreciation of property, plant and equipment	**429**	475
Amortisation of intangible assets	**38**	150
Loss on disposal of property, plant and equipment	**-**	9
Property, plant and equipment written off	**23**	-
Write-back of trade payables	**-**	(5)
Allowance made for doubtful receivables	**69**	-
Reversal of write-down of inventory to net realisable value	**(3)**	-
Share of net profit of equity-accounted investees, net of tax	**(958)**	(851)
Change in fair value of the contingent consideration	**155**	292
Net finance income	**(190)**	(204)
Tax expense/(credit)	**57**	(58)
	130	(783)
Changes in inventories	**(549)**	49
Changes in trade and other receivables	**(7,786)**	1,244
Changes in trade and other payables	**1,727**	(1,355)
Cash used in operating activities	**(6,478)**	(845)
Taxes paid	**(164)**	(109)
Net cash flow used in operating activities	**(6,642)**	(954)
Cash flows from investing activities		
Interest received	**348**	320
Purchase of property, plant and equipment	**(501)**	(29)
Dividends from an associate	**1,300**	2,816
Proceeds from disposals of property, plant and equipment	**1**	18
Net cash flow from investing activities	**1,148**	**3,125**
Cash flows from financing activities		
Interest paid	**(158)**	(116)
Proceeds from loans and borrowings	**16,623**	11,185
Repayment of loans and borrowings	**(25,817)**	(21,300)
Payment of finance lease liabilities	**(29)**	(31)
Dividends paid to selling shareholder of a subsidiary	**(697)**	(234)
Deposits pledged	**(133)**	-
Net cash flow used in financing activities	**(10,211)**	(10,496)
Net decrease in cash and cash equivalents	**(15,705)**	(8,326)
Cash and cash equivalents at 1 January	**43,918**	38,605
Effects of exchange rate fluctuations on cash held	**(426)**	57
Cash and cash equivalents at 30 June	**27,787**	30,336
Comprising:		
Cash at bank and in hand	**11,862**	23,080
Fixed deposits with banks	**16,243**	7,406
Cash and cash equivalents in the statement of financial position	**28,105**	30,486
Deposit pledged	**(318)**	(150)
	27,787	30,336

Please refer to Note 8 for detailed explanation.

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		
	30/06/17	**30/06/16**	**%**
	S$'000	S$'000	Change
Profit/(Loss) for the period	510	(591)	(186.3)
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	64	18	255.6
Foreign currency translation differences of foreign operations	(1,009)	(973)	3.7
Other comprehensive income for the period, net of tax	(945)	(955)	(1.0)
Total comprehensive income for the period	(435)	(1,546)	(71.9)

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 2017	**84,069**	**1,052**	**(353)**	**(350)**	**(17,813)**	**66,605**
Total comprehensive income for the period						
Profit for the period	-	-	-	-	510	510
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	64	-	64
Foreign currency translation differences of foreign operations	-	-	(1,009)	-	-	(1,009)
Total other comprehensive income	-	-	(1,009)	64	-	(945)
Total comprehensive income for the period	**-**	**-**	**(1,009)**	**64**	**510**	**(435)**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Transfer between reserves	-	(74)	-	-	74	-
Total contributions by and distributions to owners	**-**	**(74)**	**-**	**-**	**74**	**-**
As at 30 June 2017	**84,069**	**978**	**(1,362)**	**(286)**	**(17,229)**	**66,170**
As at 1 January 2016	**84,069**	**1,052**	**(433)**	**(309)**	**(17,668)**	**66,711**
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(591)	(591)
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	18	-	18
Foreign currency translation differences of foreign operations	-	-	(973)	-	-	(973)
Total other comprehensive income	-	-	(973)	18	-	(955)
Total comprehensive income for the period	**-**	**-**	**(973)**	**18**	**(591)**	**(1,546)**
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid to selling shareholders of a subsidiary*	-	-	-	-	(234)	(234)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(234)**	**(234)**
As at 30 June 2016	**84,069**	**1,052**	**(1,406)**	**(291)**	**(18,493)**	**64,931**

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

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

Company (S$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2017	**84,069**	**2,937**	**(24,853)**	**62,153**
Total comprehensive income for the period				
Profit for the period	-	-	239	239
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	236	-	236
Total other comprehensive income	-	236	-	236
Total comprehensive income for the period	**-**	**236**	**239**	**475**
As at 30 June 2017	**84,069**	**3,173**	**(24,614)**	**62,628**
As at 1 January 2016	**84,069**	**716**	**(23,589)**	**61,196**
Total comprehensive income for the period				
Profit for the period	-	-	664	664
Other comprehensive income				
Net change in fair value of available-for-sale financial assets	-	280	-	280
Total other comprehensive income	-	280	-	280
Total comprehensive income for the period	**-**	**280**	**664**	**944**
As at 30 June 2016	**84,069**	**996**	**(22,925)**	**62,140**

1(d)(ii) **Details of any changes in the Company's Share Capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the immediately preceding year.**

There were no changes in the Company's share capital since 31 December 2016.

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 2017.

The Company does not have any treasury shares or subsidiary holdings as at 30 June 2017 and as at 31 December 2016.

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

	As at 30/06/17	As at 31/12/16
Total number of issued shares excluding treasury shares	103,725,879	103,725,879

1(d)(iv) **A statement showing all sales, transfers, 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 2017.

1(d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings at the end of the current financial period reported on.**
There were no subsidiary holdings as at 30 June 2017.

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 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 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 2016, except for the adoption of a number of new/revised financial reporting standards (FRS) and interpretations applicable for the financial period beginning 1 January 2017.

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

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**
Please refer to Item 4 above.

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

	Group	
	Period ended 30/06/17 cents	Period ended 30/06/16 cents
Earnings per ordinary share for the period based on net profit/(loss) attributable to shareholders:		
- based on the weighted average number of ordinary shares in issue and on a fully diluted basis	0.49	(0.57)

The weighted average number of ordinary shares in issue for the period ended 30 June 2017 was 103,725,879 (30 June 2016: 103,725,879).

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

	Group		Company	
	As at 30/06/17	As at 31/12/16	As at 30/06/17	As at 31/12/16
Net asset value per ordinary share based on issued share capital at the end of the period	$0.64	$0.64	$0.60	$0.60

The calculation of the net asset value per ordinary share was based on total number of 103,725,879 (30 June 2016: 103,725,879) ordinary shares.

8 **Review of Performance**

Revenue and cost of sales

Group revenue in the first half of FY2017 ("1H2017") increased by S$13.5 million or 30.9% to S$56.8 million. Revenue increased mainly due to increase in revenue from Trading segment. Revenue from the Trading segment increased by S$13.6 million or 37.3% to S$50.1 million. The increase was mainly due to more allocation of plastic resin in 1H2017 and increasing price trend of plastic products. Revenue contribution from the Trading segment made up 88% of the Group's revenue in 1H2017.

Revenue from the Projects segment decreased by S$0.3 million or 4.8% to S$5.8 million due to fewer projects secured during the period. Revenue contribution from the Projects segment made up 10% of the Group's revenue in 1H2017.

Cost of sales increased by 34.4% to S$51.9 million, largely in tandem with the increase in revenue.

Gross profit

Gross profit increased by S$0.1 million or 2.6% to S$4.9 million mainly due to higher sales achieved in 1H2017.

Other income

Other income mainly comprised write-back of unclaimed dividends which were declared in prior years of S$0.2 million as the statutory time-bar has lapsed.

Administrative expenses

Administrative expenses decreased by S$0.7 million or 12.0% to S$5.4 million mainly due to reduction in personnel related expenses of S$0.2 million, professional fees of S$0.2 million and other operating expenses of S$0.2 million.

Finance income

Finance income relates to interest income derived from the available-for-sale debt securities purchased in previous years remained unchanged.

Finance costs

Finance costs increased by S$42,000 or 36.2% to S$158,000 mainly due to the higher utilisation of trade financing facilities from the banks.

Share of net profit of equity-accounted investees, net of tax

The Group's share of results from associate and joint venture increased by S$0.1 million or 12.6% to S$1.0 million mainly due to higher contribution from the associate and joint venture.

Group profit/(loss) before tax

The Group registered a profit before tax of S$0.6 million in 1H2017 compared to a loss before tax of S$0.6 million in 1H2016. The increase was mainly due to contribution from the Trading and Others segment, share of profit of associate and joint venture, write-back of unclaimed dividends and the decrease in overheads.

Tax (expense)/credit

The increase in tax expenses was mainly due to the increase in profit for the Group. The tax credit recognised in 1H2016 was due to the reversal of overprovision in prior years.

Consolidated statement of cash flow

The cash flow used in operating activities of S$6.6 million was mainly due to increase in trade and other receivables of S$7.8 million, which was partially offset by the increase in trade and other payables of S$1.7 million.

The cash flow from investing activities amounted to S$1.1 million was mainly due to a dividend received from an associate of S$1.3 million.

The cash flow used in financing activities of S$10.2 million was mainly due to cash utilised for repayment of loans and borrowings of S$25.8 million, which was partially offset by the proceeds from loans and borrowings drawn down during the period of S$16.6 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.**

With the uncertain outlook of the global economy, the Group expects its business to continue to be challenging. The Group aims to focus on its core businesses whilst continuing to explore new avenues for growth.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable.

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 2017

S$'000	Projects	Trading and Others	Total
External revenue	5,837	50,919	56,756
Interest income	23	16	39
Interest expense	(44)	(114)	(158)
Depreciation and amortisation	(219)	(165)	(384)
Reportable segment profit before tax	808	191	999
Reportable segment assets	20,519	32,143	52,662
Other material non-cash items:			
Allowance made for doubtful receivables	69	-	69
(Reversal of write-down)/Write-down of inventory to net realisable value	(4)	1	(3)
Change in fair value of contingent consideration	155	-	155
Capital expenditure	44	1,554	1,598
Reportable segment liabilities	3,601	22,085	25,686

By operating segments for the period ended 30 June 2016

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

Business Segmental Information (cont'd)

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

	30/06/17 S$'000	30/06/16 S$'000
Revenue		
Total revenue for reporting segments	56,756	43,348
Profit or loss		
Total profit for reporting segments	999	829
Unallocated amounts:		
- Other corporate expenses, net of income	(1,391)	(2,329)
Share of net profit of equity-accounted investees, net of tax	958	851
Consolidated profit/(loss) before tax	566	(649)
Assets		
Total assets for reportable segments	52,662	44,879
Other unallocated amounts	26,804	26,968
	79,466	71,847
Investments in equity-accounted investees	20,539	19,929
Consolidated total assets	100,005	91,776
Liabilities		
Total liabilities for reporting segments	25,686	18,432
Other unallocated amounts	8,149	8,413
Consolidated total liabilities	33,835	26,845

Other material items

	Reportable segment totals	Adjustments	Consolidated totals
	S$'000	S$'000	S$'000
30 June 2017			
Interest income	39	309	348
Interest expense	(158)	-	(158)
Depreciation and amortisation	(384)	(83)	(467)
Allowance made for doubtful receivables	(69)	-	(69)
Property, plant and equipment written off	-	23	23
Reversal of write-down of inventory to net realisable value	3	-	3
Change in fair value of contingent consideration	(155)	-	(155)
Capital expenditure	1,598	278	1,876
30 June 2016			
Interest income	40	280	320
Interest expense	(116)	-	(116)
Depreciation and amortisation	(520)	(105)	(625)
Change in fair value of contingent consideration	292	-	292
Capital expenditure	27	2	29

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

Refer to section 8

15 **Interested person transactions**

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

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

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

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

The Board of Directors of Intraco Limited has confirmed that, to the best of their knowledge, nothing has come to their attention which may render the interim financial statements for the half year ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Colin Low
Chairman & Independent Director

Tan Boon Wan
Independent Director

BY ORDER OF THE BOARD

Josephine Toh
Company Secretary
14/08/2017