

INTRACO LIMITED

Half Year Financial Statement for the Period Ended 30/06/2004

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

Half-year financial statement on consolidated results for the period ended 30 June 2004.

	Notes	Group		
		S\$'000		%
		30/06/2004	30/06/2003	Change
Turnover		176,296	139,384	26.5
Cost of Sales		(168,828)	(128,671)	(31.2)
Gross Profit		7,468	10,713	(30.3)
Other revenue		619	527	17.5
Distribution costs	(i)	(5,987)	(9,218)	35.1
Administrative costs		(4,026)	(4,516)	10.9
Finance costs		(296)	(248)	(19.4)
Operating Loss		(2,222)	(2,742)	19.0
Investment income		150	97	54.6
Exceptional items	(iii)	2,510	1,141	120.0
Profit/(Loss) before tax and minority interests		438	(1,504)	129.1
Taxation		10	-	n.m.
Profit/(Loss) after tax before minority interests		448	(1,504)	129.8
Minority interests, net of taxes		631	679	(7.1)
Profit/(Loss) attributable to members of Intraco Limited		1,079	(825)	230.8

n.m. :- not meaningful

Notes: -

- (i) Reduction in distribution costs was mainly due to deconsolidation of Teledata (Singapore) Limited, following the disposal of 29.9% interest in the company in May 2004.

		Group		
		S\$'000		%
		30/06/2004	30/06/2003	Change
(ii) Depreciation and amortisation		(2,417)	(1,065)	(126.9)
Write-back of doubtful debts (net of provision and write-off)		483	855	(43.5)
Write-back/(Provision) of inventory obsolescence and write-off.		157	(546)	128.8
Net foreign exchange gain		6	116	(94.8)

(iii) Exceptional items mainly comprise:

Gain on disposal of a subsidiary and investments
 Write-up in value of investments
 Others
 Provision for impairment of fixed assets

Group	
S\$'000	
30/06/2004	30/06/2003
2,486	1,470
8	210
16	-
-	(539)
2,510	1,141

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

	Notes	Group		Company	
		30/06/2004	31/12/2003	30/06/2004	31/12/2003
Balance Sheet		S\$'000	S\$'000	S\$'000	S\$'000
Fixed assets		28,077	32,466	357	425
Intangible assets		-	1,042	-	-
Subsidiaries		-	-	42,471	47,708
Investments		5,169	8,083	5,049	6,771
Current Assets					
Inventories	(a)	11,220	15,570	210	100
Jobs-in-progress	(a)	818	3,786	818	764
Trade and other debtors	(b)	41,472	36,306	2,829	2,731
Amounts owing by subsidiaries		-	-	13,992	14,696
Tax receivable		2,499	2,499	2,499	2,499
Cash and cash equivalents		49,426	52,982	34,546	22,153
		105,435	111,143	54,894	42,943
Current Liabilities					
Trade and other creditors	(a)	51,920	57,323	8,675	9,529
Provisions and other liabilities		631	631	631	631
Amounts owing to subsidiaries		-	-	25,086	20,880
Interest bearing loans and borrowings		5,644	6,555	-	-
Provision for taxation		515	604	-	-
		58,710	65,113	34,392	31,040
Net current assets		46,725	46,030	20,502	11,903
Interest bearing loans and borrowings		(16,932)	(17,841)	-	-
Deferred taxation		(104)	(104)	-	-
		62,935	69,676	68,379	66,807
Capital and Reserves					
Share capital		49,308	49,308	49,308	49,308
Reserves		13,627	12,539	19,071	17,499
		62,935	61,847	68,379	66,807
Minority interests		-	7,829	-	-
		62,935	69,676	68,379	66,807

Notes:

- (a) The reduction in these balances were mainly due to deconsolidation of Teledata (Singapore) Limited, following the disposal of 29.9% interest in the company.
- (b) Higher trade debtors was due to increased sales in Commodities Trading and Semiconductors businesses.

1(b)(ii) Aggregate amount of group's borrowing and debt securities**Amount repayable in one year or less, or on demand**

As at 30/06/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
-	5,644,000	911,000	5,644,000

Amount repayable after one year

As at 30/06/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
-	16,932,000	909,000	16,932,000

Details of any collateral

Nil

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

	Group	
	30/06/2004	30/06/2003
	S\$'000	S\$'000
Cash flow from operating activities :-		
Profit/(Loss) before taxation	438	(1,504)
Adjustments for:		
Depreciation and amortisation	2,417	1,065
Foreign exchange translation differences	(18)	(104)
Loss on disposal of fixed assets	9	109
Provision for impairment of fixed assets	-	539
Fixed assets written-off	86	2
Gain on disposal of investments	(1,061)	(1,470)
Gain on disposal of a subsidiary	(1,441)	-
Write-up in value of investments	(8)	(210)
Dividend income	(150)	(97)
Net interest expense	12	106
Profit/(Loss) before reinvestment in working capital	284	(1,564)
(Increase)/Decrease in debtors	(17,151)	4,311
Increase in inventories	(2,535)	(3,348)
Decrease in jobs-in-progress	2,179	2,465
Increase/(Decrease) in creditors	7,483	(7,002)
Cash used in operations	(9,740)	(5,138)

Interest received	284	142
Interest paid	(296)	(248)
Income taxes (paid)/refunded	(52)	235
Net cash used in operating activities	(9,804)	(5,009)
Cash flow from investing activities :-		
Purchase of fixed assets	(308)	(3,191)
Proceeds from disposal of fixed assets	6	475
Disposal of a subsidiary company, net of cash disposed	(969)	-
Dividend received from investments	150	91
Decrease in amounts owing by associates	-	28
Proceeds from disposal of investments	2,964	4,204
Distribution from investments	2,866	-
Net cash provided by investing activities	4,709	1,607
Cash flow from financing activities :-		
Increase in bank loans and borrowings	1,563	280
Proceeds from issue of shares by a subsidiary to minority shareholders	66	-
Decrease in obligations under hire purchase	(90)	(175)
Net cash provided by financing activities	1,539	105
Net decrease in cash and cash equivalents	(3,556)	(3,297)
Cash and cash equivalents at beginning of period	52,982	48,458
Cash and cash equivalents at end of period	49,426	45,161

The disposal of Teledata (Singapore) Limited has been shown in the Group cash flow statement as a single item. The effect on the individual assets and liabilities is set out below :

	S\$'000
Fixed assets	2,199
Goodwill on consolidation	1,022
Other investment	1,192
Current assets	26,457
Current liabilities	(15,306)
Long term liabilities	(900)
Net assets	<u>14,664</u>
Less : Minority interest	(7,237)
Less : Transfer to investment (balance shares not disposed)	<u>(3,043)</u>
	4,384
Profit on disposal of a subsidiary	<u>1,445</u>
Net proceeds from the disposal	5,829
Less : Cash disposed	<u>(6,798)</u>
Cash flow on disposal, net of cash disposed	<u><u>(969)</u></u>

1(d)(i) A statement (for the issuer and the 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.

Statements of changes in equity

S\$'000	Share Capital	Share Premium	Capital Reserve on Consolidation	Translation Reserve	Revenue Reserve	Total
Group						
Balance as at 1 Jan 2004	49,308	32,642	5,634	225	(25,962)	61,847
Net profit for the period	-	-	-	-	1,079	1,079
Adjustment due to dilution of a subsidiary	-	(4)	-	(9)	22	9
Balance as at 30 Jun 2004	49,308	32,638	5,634	216	(24,861)	62,935
Balance as at 1 Jan 2003	49,308	32,640	5,634	110	(20,448)	67,244
Net loss for the period	-	-	-	-	(825)	(825)
Translation difference arising on consolidation	-	-	-	(68)	-	(68)
Balance as at 30 Jun 2003	49,308	32,640	5,634	42	(21,273)	66,351

S\$'000	Share Capital	Share Premium	Revenue Reserve	Total
Company				
Balance as at 1 Jan 2004	49,308	32,556	(15,057)	66,807
Net profit for the period	-	-	1,572	1,572
Balance as at 30 Jun 2004	49,308	32,556	(13,485)	68,379
Balance as at 1 Jan 2003	49,308	32,556	(10,731)	71,133
Net profit for the period	-	-	227	227
Balance as at 30 Jun 2003	49,308	32,556	(10,504)	71,360

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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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.

As at 30 June 2004, there were unexercised options for 1,507,000 of unissued ordinary shares of \$0.50 each under the Intraco Limited Share Option Scheme 2000.

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

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 compared with audited financial statements as at 31 December 2003.

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

None

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

Earning per ordinary share

Earnings per ordinary share for the year based on net profit attributable to shareholders:

(i) Based on weighted average number of ordinary shares on issued

(ii) On a fully diluted basis

Group Figures	
Latest half year to 30/06/2004	Previous half year to 30/06/2003
1.09 cts	(0.84) cts
1.09 cts	(0.84) cts

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) current financial period reported on; and**
- (b) immediately preceding financial year.**

Net asset value per ordinary share based on issued share capital at the end of the period

Group		Company	
As at 30/06/2004	As at 31/12/2003	As at 30/06/2004	As at 31/12/2003
\$0.64	\$0.63	\$0.69	\$0.68

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

- a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Group turnover for 1st half of 2004 was S\$176.3 million representing a 26.5% increase compared to the same period in 2003 of S\$139.4 million. It achieved an improved turnover despite its partial divestment of 29.9% interest in Teledata (Singapore) Limited in May 2004. Teledata (Singapore) Limited ceased to be a subsidiary thereafter.

At operating level, the Group operating loss for the period was S\$2.2 million in 2004 compared to a loss of S\$2.7 million in interim 2003.

Profit after tax and minority interests was S\$1.1 million for interim 2004, compared to the corresponding period of a loss of S\$0.8 million in 2003. The improvement was after the exceptional gains of S\$2.5 million arising from disposal of investments.

Turnover for Commodities Trading business increased by 35% to S\$111 million in 1st half 2004 from S\$82 million in the same period last year. The strong performance was partly the results of the business unit's effort in extending their product base and supply source. The surge in commodities prices during the period also contributed to the improved turnover. The business unit reported an operating profit of S\$0.6 million for the period in 2004 a 20% improvement from S\$0.5 million for the same period in 2003.

Following the upturn in the Semiconductors industry in the 2nd half of 2003, the turnover in the Semiconductors unit was in tandem with the industry's sentiment. Turnover surged by 65% to S\$45.7 million in 1st half 2004 from S\$27.7 million in 1st half 2003. The operating results for the unit correspondingly improved from a loss of S\$0.1 million to a profit of S\$0.9 million in interim 2004, which included write-back of provisions for debts and inventories of S\$0.8 million.

During the period, Engineering and Projects unit continued to operate in a difficult environment, as the infrastructure market remains weak. Turnover for the unit reduced by 33% to S\$6.2 million for the period from S\$9.3 million in 2003. The unit also suffered an operating loss of S\$0.7 million for the period.

Following the divestment of 29.9% interest in Teledata (Singapore) Limited, the Group has ceased consolidating their results from May 2004. The turnover for the unit before the divestment was S\$9.8 million compared to S\$19.2 million in interim 2003. Operating loss for the 1st four months in 2004 was a loss of S\$0.9 million compared to S\$1.4 million loss included in 1st half 2003 results.

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.

Although the business conditions in 2004 have improved, it remains a challenge to the Group to operate in the highly competitive Commodities and Semiconductors industries. The Group will continue to streamline and consolidate its businesses and will seek new opportunities to strengthen its growth.

11 Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date Payable

Not applicable as no dividend has been declared for the present financial period.

(d) Books closure date

Not applicable as no dividend has been declared for the present financial period.

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

No dividend was recommended for the present financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable

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.

Nil

15 A breakdown of sales

Not applicable

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable

BY ORDER OF THE BOARD

Lu Ling Ling
Company Secretary
11/08/2004